

# THE NATION'S BUSINESS

November



1924

## Plain Talk on the Farming Business

By JOHN SCOTT, Dirt Farmer

## Is Our Federal Reserve System Threatened?

Comptroller Dawes Talks to SILAS BENT

## Britain Uses Her Business Brains

By P. W. WILSON, ex-Member of Parliament

## Training Executives Within the Works

By C. R. DOOLEY, Personnel Director, Standard Oil Company

## American Business Grows More Stable

By CARL SNYDER, Statistician, Federal Reserve Bank, New York

Mr. Filene's vision of the future department store discussed by Bruce Barton and W. C. D'Arcy for advertising; Jesse I. Straus, Lew Hahn and H. M. Henderson for retailing; Dalton F. Schwartz and Robert K. Leavitt for manufacturing.

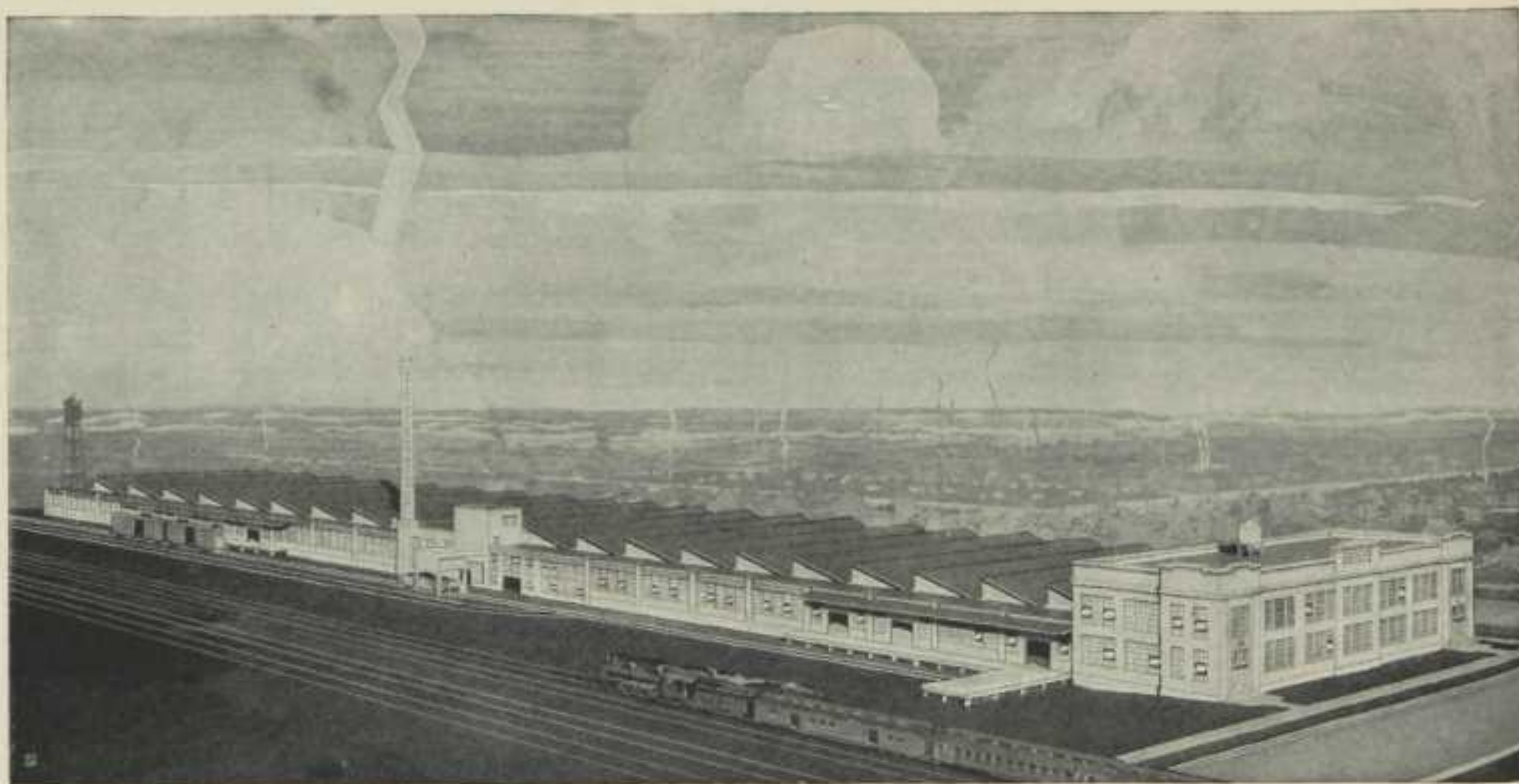
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*Complete table of contents on page 5*



Published by the Chamber of Commerce of the United States





Complete new printing plant for The Art Color Printing Co. at Dunellen, N. J., containing approximately 125,000 sq. ft. of floor space, now under construction by Austin. A typical Austin Unit Responsibility project which includes: finance, design, construction and equipment, under one contract and for one lump-sum price

## Big Plants—Austin-Built

**P**ROOF of Austin's ability to handle the big construction job is found in the long list of leading manufacturers whom Austin has served.

The complete plant in the illustration above is one that comes in the class of "big construction".

The Art Color Printing Company turned over to The Austin Company, under one contract, their whole new building project at Dunellen, New Jersey, from the design of the plant to the installation of the equipment, on the basis of Austin Unit Responsibility.

The Austin Method of Unit Responsibility—the new way to build—guarantees—

*First*—A fixed lump-sum price for the plant complete.

*Second*—Delivery date of complete plant—under bonus and penalty clause, if preferred.

*Third*—The quality of workmanship and materials.

Ask Austin for costs, valuable building data and information for any type or size of building project.

For a complete main plant, a branch plant or warehouse in Seattle, Dallas, Birmingham, Buffalo—anywhere from Coast to Coast—Austin forces are already in the field. There are thirteen Austin offices to furnish points of contact with your headquarters.

Have you considered the profit opportunities of a branch plant or warehouse on the Pacific Coast? Ask any Austin office to furnish you with costs, local building information and data, available through four Austin Organizations on West Coast.

**THE AUSTIN COMPANY**  
New York    Cleveland    Pittsburgh    Chicago  
The Austin Company of Texas: Dallas

**Engineers and Builders**    **Cleveland**  
Detroit    Philadelphia    Seattle    Portland    Birmingham    St. Louis  
The Austin Company of California: Los Angeles and San Francisco

THE AUSTIN COMPANY, Cleveland

☐ You may send me a copy of your booklet "The A No. 1 Plan".

☐ We are interested in a \_\_\_\_\_ building. Approximate size \_\_\_\_\_

Firm \_\_\_\_\_

Individual \_\_\_\_\_

Address \_\_\_\_\_

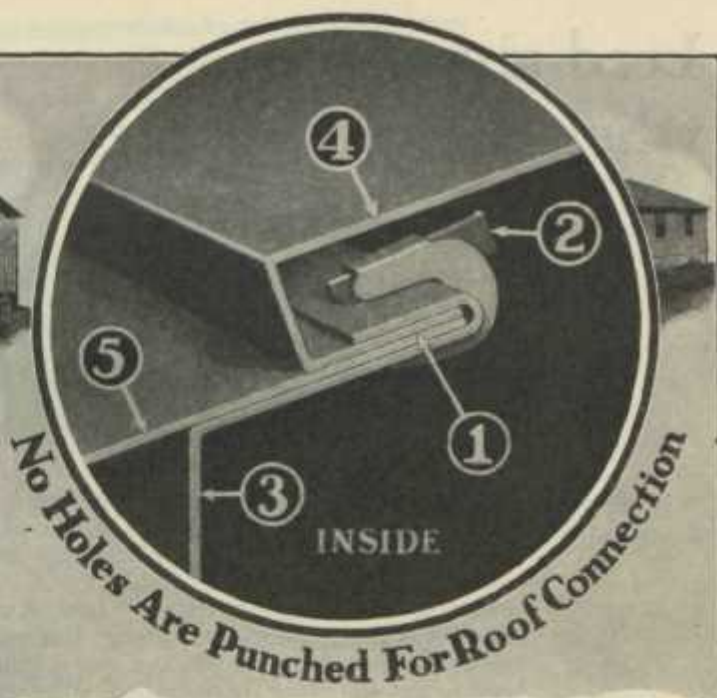
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# AUSTIN

**Finance    Engineering    Building    Equipment**

When writing to THE AUSTIN COMPANY please mention the Nation's Business



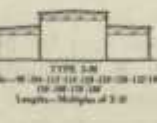
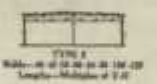
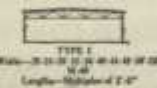


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Types 1, 2 and 3

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-KB-11-24

## A Roof that Can't Leak

Truscon Standard Building construction makes certain of roofs that are weathertight, not only when new but during the entire life of the building.

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In Truscon Standard Buildings you have a complete choice of types, sizes and arrangement. They are noncombustible and can be easily erected in any location, even in the most remote places. Standardized units assure the economy of quantity production, quick erection and small working force.

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Warehouses and Sales Offices from Pacific to Atlantic.  
For addresses see phone books of principal cities.  
Canada: Walkerville, Ont. Foreign Div.: New York

# TRUSCON

STANDARD BUILDINGS



## Lead gives light when darkness comes



**B**LACK clouds hide the midday sun. A storm is about to break over the city. In every office and home people get up and turn on electric lights.

In the emergency the power plant must supply electricity up to its capacity. But only two of the generators are running, and it takes time to put the others in operation. Where is the additional electricity to come from?

In the power plant an electrician throws a switch that turns on the current from many storage batteries. These batteries, made mostly of lead, provide the extra current until other generators are started.

### *Millions of pounds of lead used*

Storage batteries in this country in use in radio sets, automobiles and central station power plants alone contain many millions of pounds of lead. The amount of lead used in a single storage battery ranges from a few pounds in the smallest to several hundred thousand pounds in the largest battery.

Each lead storage battery is an electrical reservoir, storing up energy for the time of need.

Inside are two sets of lead grids, or perforated plates, made of hard lead. These plates are thickly covered with lead oxides—one set with red-lead, the other with litharge. These plates are immersed in a weak solution of sulphuric acid.

Lead storage batteries supply electricity for telephone, telegraph, and wireless communication. They furnish electrical energy for self-starters, lamps, and ignition systems in millions of automobiles. They supply energy for ignition of tractors on many of the 6,000,000 or more farms in the country, and gas trucks in every part of the land.

### *Lead at sea and in the air*

For yacht lighting and for motor-boat lighting and ignition, storage batteries again come to

man's assistance. They supply current for turning turrets, sighting and firing guns on warships. They propel submarines beneath the surface.

Lead aids man faithfully and well in the storage battery. But it serves him more generally perhaps as paint. You can see red-lead paint everywhere—on skyscraper skeletons, bridges, gas tanks, ships, on metal construction wherever used. So long as the paint film remains unbroken, it saves the covered surface and hence the entire structure from rapid deterioration and eventual destruction.

### *Producers of lead products*

*Dutch Boy red-lead* is the name of the pure red-lead made and sold by National Lead Company. It comes in paste form which can be tinted to any dark color.

On every keg of *Dutch Boy red-lead* is reproduced the picture of the Dutch Boy Painter shown here. This trade-mark guarantees a product of the highest quality.

*Dutch Boy* products also include white-lead, linseed oil, flatting oil, babbitt metals, and solder.

National Lead Company also makes lead products for practically every purpose to which lead can be put in art, industry, and daily life. If you want information regarding any particular use of lead, write to us.

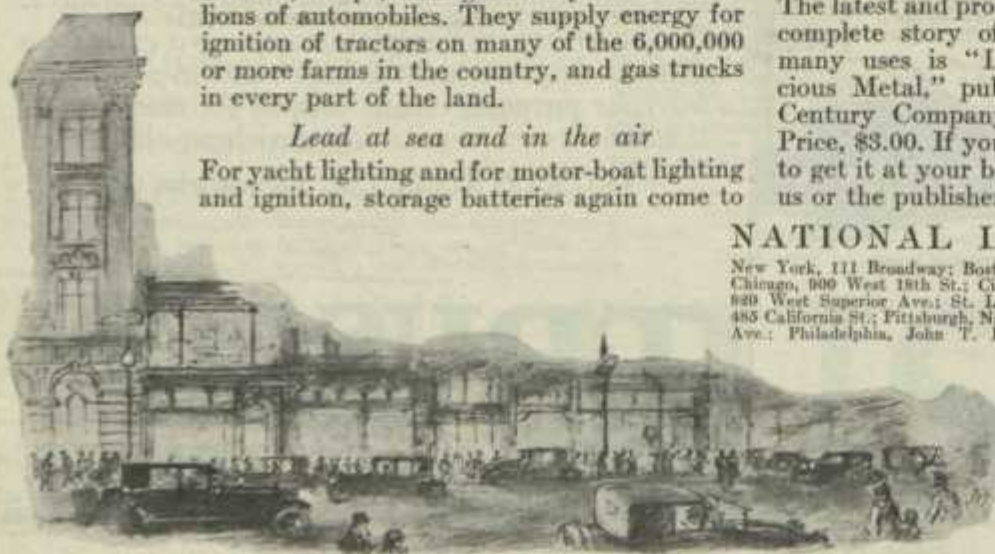
If you wish to read further about this wonder metal, we can tell you of a number of interesting books on the subject.

The latest and probably the most complete story of lead and its many uses is "Lead, the Precious Metal," published by the Century Company, New York. Price, \$3.00. If you are unable to get it at your bookstore, write us or the publishers.



### **NATIONAL LEAD COMPANY**

New York, 111 Broadway; Boston, 181 State St.; Buffalo, 116 Oak St.; Chicago, 900 West 18th St.; Cincinnati, 659 Freeman Ave.; Cleveland, 640 West Superior Ave.; St. Louis, 722 Chestnut St.; San Francisco, 485 California St.; Pittsburgh, National Lead & Oil Co. of Pa., 310 Fourth Ave.; Philadelphia, John T. Lewis & Bros. Co., 437 Chestnut St.







Tonnage entered and cleared at Pacific Ocean Ports, 1922

California

4,981,365

Washington & Oregon

10,140,222

The tonnage passing through the ports of the Pacific Northwest is more than double that passing through the California ports.

# The leading ports of a greater commerce

On the highway of what is destined to become the world's greatest commerce—that of the dawning Pacific Era—some of America's youngest cities are astonishing us by the swiftness of their growth.

Seattle, forty years ago a frontier settlement of 4,000 inhabitants, with one crude dock and no railroad, today has a population of 350,000 and marine terminal facilities worth many millions of dollars.

Portland, in 1870 a town of 8,000, without a railroad, and carrying on a small river trade on the Columbia and the Willamette, is now a city of 280,000, exporting goods to the five continents of the world.

Tacoma's population since 1880 has grown from 720 to over a hundred thousand. Astoria, Bellingham, Coos Bay, Everett, Bremerton, Port Angeles, Gray's Harbor, and a dozen more, are stepping forward with equal speed into the ranks of the world's important maritime cities.

For the cities of the Pacific Northwest are the natural leaders of our rapidly-growing Pacific Coast commerce.

Two-thirds of that commerce already passes through their ports. That the great

bulk of it must always pass through them is assured by definite advantages of location, of ideal harbor facilities, of a rich back country.

Nearer by several days' sailing to the chief points of Asia and the Pacific Islands than the California ports, they mark the principal route for America's future trade with the awakening Orient, where trade with the United States has increased two to four times within ten years.

Nearer by rail to the Atlantic Seaboard, they are in quicker touch with America's fullest present development.

Through them flows the largest part of Alaska's 80 million dollar trade with the United States.

The region which lies back of them, the great Pacific Northwest, comprising the states of Washington, Oregon, Idaho, Montana and Wyoming, is undergoing a development, in industry, in agriculture, in commerce, as rapid as their own.

In the Pacific Northwest, because of its growing commerce, and because of its tremendous undeveloped natural wealth, lie new opportunities for every business enterprise in the United States.

## THE PACIFIC NORTHWEST

*The Chicago Burlington & Quincy R.R.  
The Great Northern Ry.  
The Northern Pacific Ry.*





*A product backed by two Nationally  
Recognized Leaders*



## Will They Still Be Saving Power for You Ten Years From Now?

**DODGE  
TIMKEN**  
ROLLER HANGER BEARING

IT depends on ruggedness. The Dodge-Timken Roller Hanger Bearing is the result of years of investigation and experiment on the part of the Dodge organization to find a ball or roller bearing rugged enough to continuously withstand the shock loads encountered in power transmitting service.

The one hundred and ten million Timken tapered roller bearings that have successfully and economically served the widely varying conditions of automotive and industrial service over a period of twenty-five years, finally convinced Dodge engineers.

This performance and the forty years' experience and leadership of Dodge in the power transmission field, is your assurance of continuous economical, trouble-free operation if you specify Dodge-Timken Roller Hanger Bearings.

Write for "Facts" giving complete details of Dodge-Timken Roller Hanger Bearing. We will gladly send this booklet on request to manufacturers and engineers.



**DODGE MANUFACTURING CORPORATION**  
General Offices: Mishawaka, Ind. Works: Mishawaka, Ind., and Oneida, N.Y.

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Branches: New York Philadelphia Pittsburgh Boston Cincinnati Newark Chicago  
Atlanta Minneapolis St. Louis Houston Seattle Portland San Francisco

**Power**





*Washington—first in war, first in peace,  
and first in American baseball!*

WHILE we're on unfriendly terms with the demagogue, our generous nature will not permit us to sit idly by and see him sunk without warning. His bread and butter is about to be taken from him. A subtle move is on to discredit Wall Street, destroy its reputation and bring confusion to those muck-rakers who have long battered on its shady moor.

Every reader remembers the eleven bankers of Wall Street who went to Chicago to pick out a Presidential candidate. The incident, typical of the Day's Work of the "financial East" made great medicine for the demagogues. It was on the front pages of all the papers.

Now comes the author of "Behind the Scenes in Politics" (Dutton) who attacks subtly, yet nevertheless effectively, the power and influence of the best meal ticket a "friend of the pee-pul" ever had. He says:

A friend of mine and I were invited to a luncheon where all but one of the men named (Wall Street bankers) were to be present. My acquaintance went. One of the bankers suggested a pool into which each man could enter for a guess at the Presidential nominee. The pool was substantial in the total sum of money. It was tempting. And the guesses were to be made secretly and put in sealed envelopes. My friend was asked to hold the stakes. When he opened the envelopes he found seven guesses for Wood, four for Lowden, one for Johnson, two for Sproul. He had to redistribute the money among these "wise inside banker manipulators" because no one had picked Harding!

If this thing goes on some one will be saying Wall Street didn't deflate the farmers!

NOR IS the attack centered on Wall Street alone. Big Business is under fire. We went to see "The Alaskan," a motion picture, the other night. There we found Big Business as the deep-dyed villain. Big Business trailed a slip of a girl across the continent, and on board an ocean-going steamer. There it harried her to such an extent that at two o'clock in the morning she jumped overboard into the ocean. Fortunately for her—and the plot—a loyal Eskimo in a canoe was at hand to rescue her.

But Big Business carried its machinations into Alaska. It dug a ditch right through mother's grave—the mother of Poor Tom Meighan—and its lust for gore unsated, it planted a stick of dynamite and blew poor Tom's father into Kingdom Come.

So far, we were able to follow bloody Big Business without the quiver of an eyelash. Its ruthless methods were in line with what we had read all these years and heard from every soap-box. But our faith and confidence in its power to work its will were shaken in the next scene—when Poor Tom Meighan, in telling his tale to the United States Senate, is kicked down the broad steps of the Capitol.

That was asking too much. It wrenched our credulity a bit because no one with a story on Big Business, fact or fiction, fails to get a hearing in Washington in these latter

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Vol. 12

## THE NATION'S BUSINESS

No. 12

Published Monthly by the Chamber of Commerce of the United States, Washington, D. C.

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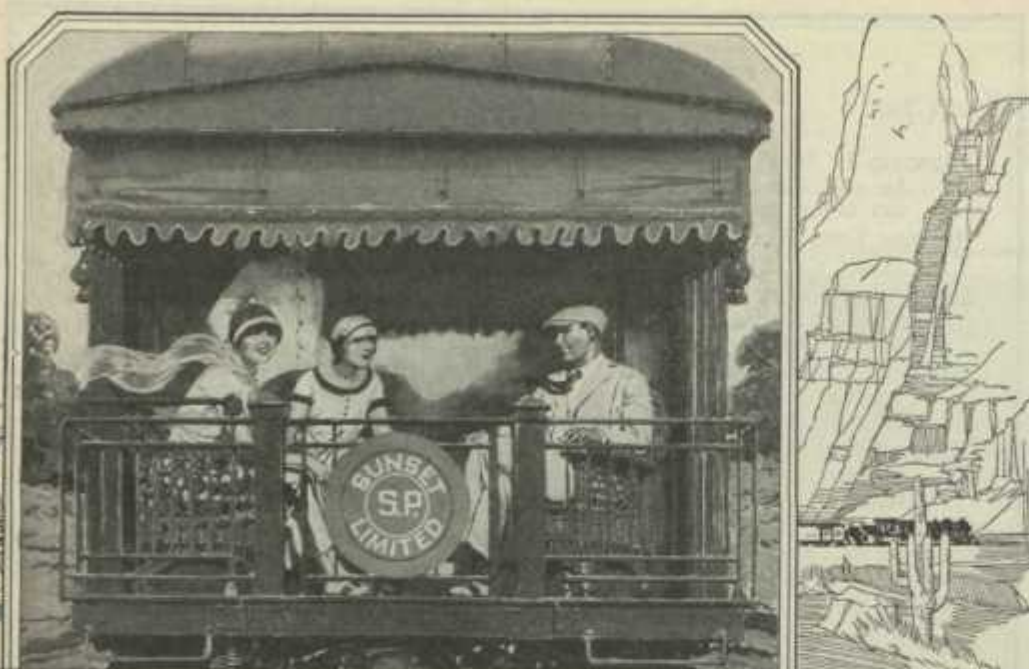
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SUBSCRIPTION RATES: Three years for \$7.50 (full term); one year for \$2.50 (part term); single copies, 25 cents.

As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.





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The last word in modern transportation. All new steel equipment. Unexcelled service without extra fare.

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Club Car with barber shop, bath and valet service.

Sleeping Cars of the latest type.

Through Dining Cars with unsurpassed cuisine.

Oil Burning Locomotives and rock ballasted roadbed; banishing smoke, cinders and dust; comfortably permitting open windows when desired.



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is a good place to read The NATION'S BUSINESS. Away from the cares and the interruptions of your office.

That's why many of our subscribers are asking that we send their copy to their home address. If you're now receiving The NATION'S BUSINESS at your office, we'll gladly do the same for you upon request. Just send a post card to the Circulation Manager.

**NATION'S BUSINESS**  
WASHINGTON

days. But let that pass. The next scene sees Poor Tom, with sleeves rolled-up, punching Big Business in primitive fashion. Virtue is triumphant.

This is all a part of the plot to discredit time-honored traditions. When Big Business, for a generation held up as puissant, though pusillanimous is made to bite the dust before the bare fists of a lone hero in Alaska, our faith is shattered.

We wrote Mr. Hays about it but have not heard from him as we go to press.

I WAS TELLING Will Irwin the other day about Henry Schott's article in this number, comparing railroad service in Europe and the United States. We philosophized, and finally Irwin recalled this humorous incident:

George is a porter on the Boston car of a New York train out of Chicago. His friend Jim worked a through car on the same train. They had not seen each other for some time when they met—west of Albany. They had a good deal to say to each other. Jim suggested that they do their talking in his car. So George brought the shoes from his Boston car and they got on with their talk. They talked and talked as old friends will. Came the time to drop the Boston car. George said "s'long" to Jim. But the shoes, being only shoes, stayed where they were put in the New York car.

Morning brought the usual awakening in George's car. But the usual fumbling under berths produced no shoes. George was stumped. The passengers were stumped. The Pullman Company was a byword and a hissing—all because George and Jim were human and talked over things in the New York car.

The world is full of Georges and Jims. Their employers can give perfect service only when all the Georges and Jims keep all their minds on their jobs all the time. When that industrial millennium arrives there will no longer be any criticism of public utilities, and for that matter no longer any problems of industrial relations.

OUR OLD Baltimore friend Strickland Gillilan, who wrote first of Efficiency in that immortal "Off Agin, On Agin, Gone Agin, Finigan," goes through life leaving consignments of strictly fresh humor on editorial desks at "your regular rates." But now he sends us a complimentary bookload in "Laugh It Off."

He sets out to chase Old Man Gloom and his accomplice Fear to hell—and he wants no back talk. "To hell with Gloom" is his slogan, and he serves it with lusty prose and verse. But has not the vigorous twanging of the Gillilan lyre confused the Gillilan judgment. Hell, the best authorities say, is a place of low jokes and good company—not a proper place at all for Gloom.

But a man can laugh it off with "Laugh It Off."

IN THE September number we printed a bit of philosophy from Berton Braley called "Take a Chance." Mr. Braley set out to show that success in business is sometimes dependent on courage, and ability to break away from humdrum lines. One intelligent reader and thoughtful critic of the magazine, president of a New Jersey bank, did not like the tone of Mr. Braley's contribution and wrote us a letter so interesting that we cannot resist quoting this:

The whole tone of the article is against all training and guidance which we have up to this time felt that young men should have. Certainly you and the officers of the Chamber cannot feel that those things which have heretofore seemed necessary, such as thrift and honesty, hard work



# What Is Statler Trying To Do?

He is trying, in his five hotels, to make hotel service better and better, and always better. That is what he has been doing for eighteen years.

He is trying to eliminate perfunctory service, ungracious service, every kind of unsatisfactory or non-satisfactory service, from *any* Statler employee to *any* Statler guest.

He is trying to build up, in all Statler employees, a realization of the literal fact that *good service to guests* is the one and only way to success for anybody in this organization.

He has made progress, year by year, along these lines. He never expects to make humanly-rendered service 100% perfect, 100% of the time. But *he does guarantee your satisfaction*, in these terms:

## Guarantee of Statler Service:

We guarantee courteous, interested and helpful service from every Statler employee to every Statler guest; but should you, at any time, fail to get such service, and should the local management fail to satisfy you, I myself will undertake to do so.

*E. M. Statler*

Executive Offices, Hotels Statler Co., Inc., Buffalo, N. Y.

### HOTELS STATLER

**BUFFALO:** 1100 rooms, 1100 baths. Niagara Square. Across the street is the new Statler Garage with every facility for modern service. The old Hotel Statler (at Washington and Swan) is now called Hotel Buffalo.

**CLEVELAND:** 1000 rooms, 1000 baths. Euclid, at E. 15th.

**DETROIT:** 1000 rooms, 1000 baths. Grand Circus Park.

**ST. LOUIS:** 640 rooms, 640 baths. Ninth and Washington.

# STATLER

and Statler-operated

# HOTELS

### Hotel Pennsylvania New York

The largest hotel in the world -- with 2200 rooms, 2200 baths. On Seventh Avenue, 33d to 34th Streets, directly opposite the Pennsylvania Railway Station. A Statler-operated hotel, with all the comforts and conveniences of other Statlers, and with the same policies of courteous, intelligent and helpful service by all employees.

Every room in these hotels has private bath and running ice-water; in every room is posted its rate, printed in plain figures.



Save Money—by seeing the

# Power Show

Your Progress

December 1 to 6

Grand Central Palace

*demonstrates these newest ideas on power,  
fuel and labor-saving plant equipment!*

IF YOU have any interest in industrial power don't fail to visit this amazing exposition of engineering achievement. This year's Power Show offers you the opportunity to see the biggest, most inspir-

ing, most practically interesting collection of modern power equipment in the world.

The newest developments, what they cost, what they save, how they are installed, how they work—all will be shown and explained to you by experts.

Plan now to attend! Keep your plant 100% modern and efficient.

Remember the date—December 1st to 6th.

National Exposition of Power  
and Mechanical Engineering

GRAND CENTRAL PALACE  
NEW YORK CITY



and faithfulness should now be considered, as the writer expresses it, "bunk."

Your magazine should be read by the young officers of financial institutions all over the country, and you know, or should know, that men who take a chance and succeed are very rare, while men who follow the old lines of "bunk" to again refer to your writer, have a much greater chance of living a happy and useful life in the community where their work is cast.

We cannot entirely agree with this view, but we wonder how many of our readers felt as he did. If any number, we are genuinely sorry. Of course, we did not endorse any such doctrine as thrift and honesty being "bunk." Mr. Braley said there has been a great deal of "bunk" written about these virtues. We hope our readers know us as protagonists of those virtues, not only for the individual, but for government as well.

IN RECENT years we have heard about a new factor in industry. Hitherto there were three—capital, labor, and the public. The fourth has been suggested as management, a thing apart from capital. Now comes along the "Partial Outline of Sections" in a new volume, "Management's Handbook" (The Ronald Press). Some of the qualifications necessary for this new factor in business can be imagined in going over a few of his duties as set forth in this "partial outline." For example, he must know a great deal about

- (1) Definition and use of 18 management ratios,
- (2) Maintenance of labor relations,
- (3) Budgetary control,
- (4) Office management,
- (5) Classification and symbols,
- (6) Production control,
- (7) Tool storage and tool crib management,
- (8) Quality control and quality factors,
- (9) Cost and profit variation formulas,
- (10) Material handling,
- (11) Market analysis,
- (12) Wage payments and timekeeping (including a study of Taylor differential piece rates as set forth in the systems of Gantt, Bigelow, Emerson, Wennerlund, and Haynes,
- (13) Mathematics, from cube root to harmonic averages,
- (14) Management charts,
- (15) Plant layout,
- (16) Purchasing, and stores keeping,
- (17) Operation study and rate setting,
- (18) Plant maintenance,
- (19) Conserving and salvaging materials,
- (20) Shipping and traffic, routing, classifying, tracing, claims,
- (21) Cost accounting,
- (22) Packing for shipment,
- (23) Plant location, power, fuel, transportation, competition, types of building, and construction,
- (24) Organization for ownership,
- (25) Insurance, fire, employers' credit, workmen's compensation, burglar, automobile, depreciation and obsolescence, funds, boiler, group life, breakdown.

These, with a final section on banking relations, make up a tidy little picture of the manager as we know him today.

THERE were 108 subscribers in St. Louis whose subscriptions expired last month. Ninety of them renewed their subscriptions. We naturally were interested in the eighteen who did not elect to go on with us another year, and to learn the reason we sent a representative to talk with them. Here is his report:

Three had joined the United States Chamber of Commerce and hence would receive their magazine through this membership; one had subscribed through a magazine agency; two were out of business; eight declined for

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one reason or another; while four still had the matter under advisement.

While we are naturally disappointed to lose any of our friends we are inclined to believe that this is a pretty good batting average, anyway. And incidentally, it will make us dig our toes in more deeply to keep faith with those ninety readers who are going along the road with us for another term of years.

**WE SHOWED** a visitor the proof of Mr. P. W. Wilson's article in this number, "Britain Uses Her Business Brains." He returned the proof to us with this laconic comment on the back:

Members of Parliament interested in shipping:

Lords ..... 17

House:

Members Parliamentary Committee  
composed of shipping men..... 11

Shipowners and shipbuilders..... 12

Indirectly interested in shipping.... 69

Total in the House..... 92

Total both Houses..... 109

Total in United States Congress..... 0

**IN THE** month's bill of particulars, we stand charged with many and wonderful things:

Your articles are just ordinary capitalist propaganda.—A. E. House, Spokane, Washington.

I am not going to forget in a hurry your opposition to the Adjusted Compensation bill. Take my name off your list.—R. K. Fessenden, Boston, Massachusetts.

You do not give a fair hearing to Agriculture. You don't seem to know anything about us or our business, nor do you try very hard to know.—Andrew Shearer, Frankfort, Kansas.

Take my name off your list. I do not wish to subscribe to this pro-English magazine.—Dr. Louis F. Stock, Meadville, Pennsylvania.

Your publication does not recognize the farmer as a factor in business, at least, such writers as Barnes and Roberts are willing that everyone has protection except the farmer. Please do not send any more copies.—Louis V. Phelps, Grinnell, Iowa.

But the same mail cites us for certain meritorious service:

Your magazine is a business education and I consider my investment one of the best I ever made.—E. B. Menden, Vice-President and Cashier, Winter Park Bank, Winter Park, Florida.

Just a note while the October "Spectacles" are open before me. I'm relieved and reassured by the evidence that you are not allowing yourself or your readers to be lulled into a false sense of security against the public ownership wave. There may be times when it is ethical to fool the other fellow but it's a costly performance to fool oneself.—R. O. H., Seattle, Washington.

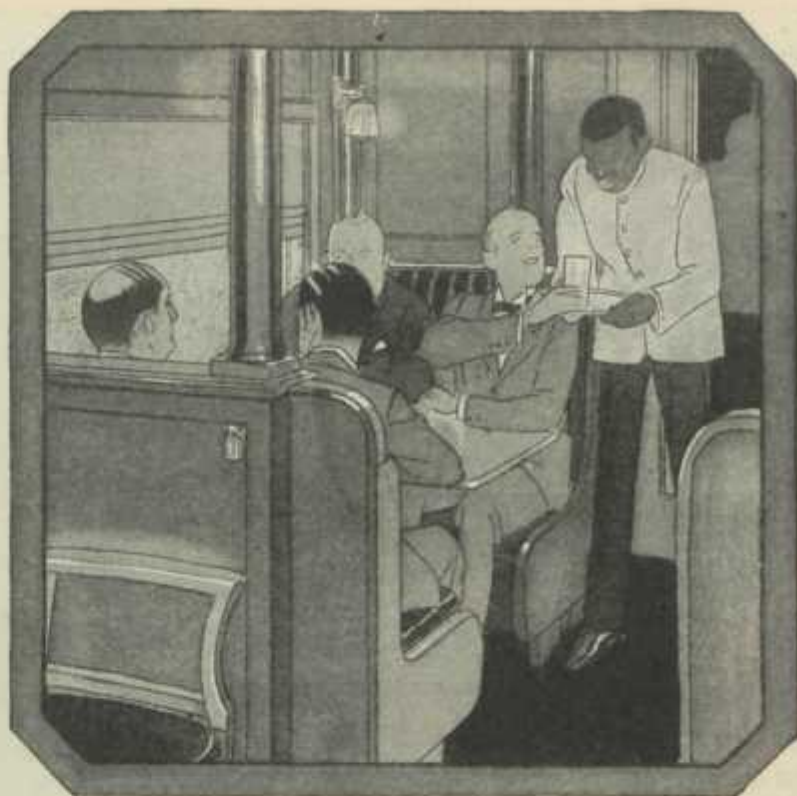
It will please you to know that your subscribers down here read THE NATION'S BUSINESS religiously, some of them practicing their English with it—so you are putting good American business ideas into many receptive foreign minds.—W. F. Saunders, Mexico City, Mexico.

Glad to see your circulation increasing. THE NATION'S BUSINESS is a fine publication.—W. W. White, President, Citro Chemical Company, Maywood, New Jersey.

I find THE NATION'S BUSINESS a most valuable addition to my reading. Several articles I would not have missed for anything.—Harold Lamb, Lamb Tool & Machine Company, Syracuse, New York.

May I reprint "Things to Tell Your Men" for free distribution to students in night school and apprentice classes throughout the state?—Dean N. C. Miller, Penn State College.

Have been a subscriber for a number of years. We often pass it on to our friends with a cheerful recommendation as to the many interesting arti-



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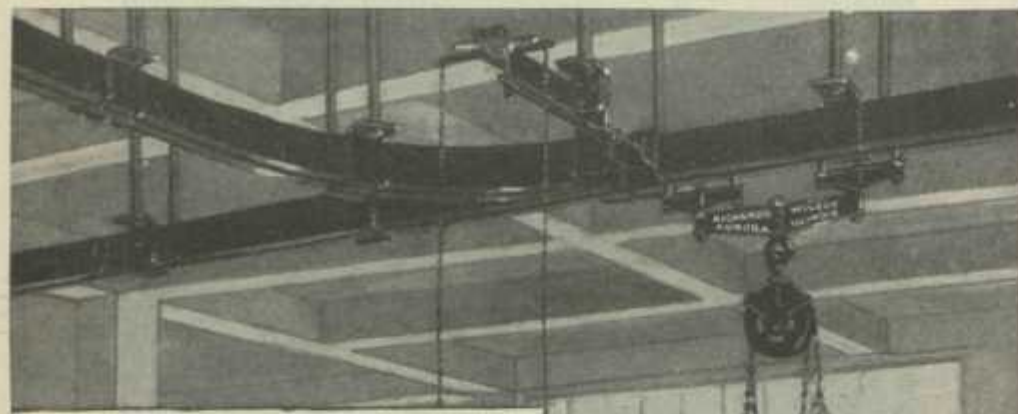
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cles appearing in your splendid publication.—J. Harry Grace, Manager, Willcox & Gibbs Sewing Machine Company, New York City.

Send ten copies containing the splendid article by Mr. Filene, of Boston.—C. A. Jobs Company, Chicago.

And there the matter rests.

FOR 218 years commercial arbitration has been no novelty to the board of trade at Dublin. So assures our good friend, Adolph Boldt, writing to us from Brussels. By way of evidence he passes on the story told him by the secretary of the board. In 1706, so the story runs, the good ship *Outzel Galley* sailed from Dublin to trade at the principal ports of the world. Ship and cargo were insured. All trace of the ship was lost. Owner and underwriters believed ship and cargo swallowed up by the sea. The underwriters paid the insurance. After five years the ship came back to Dublin. Her crew had been captured by pirates and enslaved. At the end of five years the crew managed to win freedom and recover the ship.

But the return of the ship raised a troublesome problem—the underwriters claimed the ship because they had paid for its loss, and the original owner also claimed the ship. To decide the ownership the board of commerce established a board of arbitration—and in remembrance of its first case a painting of the *Outzel Galley* hangs in its reading room.

All of which goes to show that commercial arbitration is nothing new under the Irish sun.

WE ARE beginning to attain to a reputation. Two men this month declined to accept our offer of a copy of *THE NATION'S BUSINESS* on approval. Mr. E. J. Naylor, of Edmonds, Bouton, Inc., New York City, sent in his check declaring "it is unnecessary for us to receive any of your publications on approval." We had scarcely gotten over our strutting when Mr. James A. Lovejoy, Manager, Standard Flour Company, Los Angeles, wrote:

Herewith subscription for three-year term to *THE NATION'S BUSINESS*, and as we do not need a trial to convince us of the value of your periodical, we enclose check.

We'll bet some of our old friends have been talking to these, our new friends.

EVERY business executive knows what it is to give and to receive letters of character. Some are given without much thought of the man at the other end of the line. And as a result all are read with a grain of salt. Philosopher Ed Howe out in Kansas epitomizes the situation by saying, "A man came into my office with the finest bunch of recommendations that a man ever had. He proved such a bore that I would have written him one myself to get him out of my office."

Which reminds me of the story President Adams of the Cleveland-Akron Bag Company tells:

An old Negro from the southern rural districts had gone to the city seeking employment. Everywhere he went references were asked for. Finally he gave the names of former employers and in due time returned for a decision. Some of the letters were read to him in which he was praised very highly, and his work and loyalty greatly lauded. The old man's eyes opened wide with surprise and pleasure as he remarked,

"Well, ah declar', ef ah had a-knowed ah wuz such a good nigger as dat ah shure 'nuf would have got more pay."

M.T.





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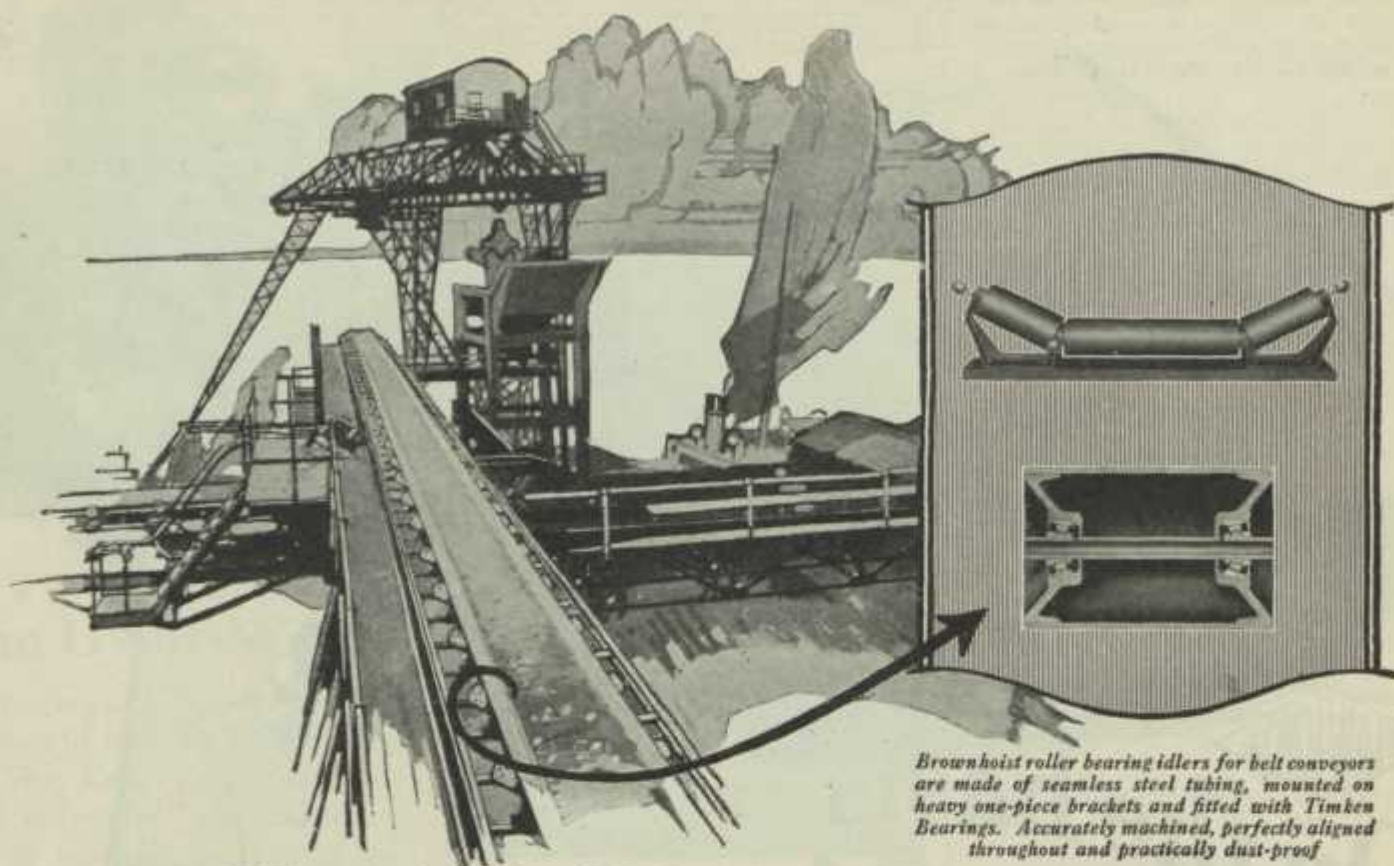
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**M A T E R I A L   H A N D L I N G   M A C H I N E R Y**



## Farming Is Just a Business

By JOHN W. SCOTT, Farmer

I HAVE been asked many times lately what I think of farming, and my reply to this question is: "I think it is a good business. It is a profitable business. It is profitable to the extent that any other regular, legitimate business is profitable, and it is unprofitable to the same extent. That is, it is a business."

It has been hard for me to regard farming in its new light as a business. I'm not a young man any more, and I have been engaged in farming ever since I can remember, and I can remember when it wasn't a business at all but was a living, just a living, all within itself, where a man could shut himself up by building a Chinese wall around his place and die happily of old age—yes, and even of the gout!—without asking anybody for anything.

That was because in the old days farming really hadn't become a part of the specialized machinery of business. Farming was the hang-over from an age that passed many centuries ago: an age in which most men did everything for themselves, and it is only recently that farming has entered the progressive world of business affairs and taken its place with other specialized lines of business.

It was sort of pulled into the business world. And it has prospered. Farm lands have increased in price just as other lands have. Farm products have increased in price just as have the products of other businesses with which farming is affiliated.

I often wonder how this could have come about when we consider how the farmers have been robbed by the stockyards, packers, and railroads, browbeaten by the big millers and the banks, cheated by the farm machinery dealers, elevators, chambers of commerce, boards of trade, and battered about by "big business" generally. Because you know many farmers, and others (and it seems to me it is mostly others) seem to think that these things are true: that the other lines of business with which the business of farming is affiliated for the common good, all pick on the farmers.

But let us see how things were before farming became a business and began to do business with "big business."

When I was a boy or young

man, farm lands were very, very cheap, and so were all farm products. I bought good, rich land in Wisconsin for five dollars an acre and I sold that land for the same price because I thought it was a poor investment. Lands of no more value than those were are now selling in Wisconsin for from one hundred to two hundred dollars an acre.

### Prices in "the Good Old Days"

THOSE were cheap days, too, for what the farmer had to sell—but not for what he had to buy! Some of the things he sold included smoked meats at from six to ten cents a pound; butter, at from five to sixteen cents a pound; eggs, from five to ten cents a dozen; dressed hogs, three to five cents a

pound; beef, about the same price; corn, fifteen to twenty-five cents a bushel; wheat, eighty cents to a dollar a bushel. But it cost two to three times as much to produce a bushel of wheat as it does now.

The necessities the farmer had to buy were not so cheap. He had to buy, or trade his cheap farm products for, all goods made from cotton, such as gingham, calico and light goods, and they were as high or higher than at present. Sugar, tea, coffee, kerosene, nails and hardware were as high as, or higher than, the prices that followed the World War, and much higher than they were before the War.

Those were the days before "big business" began to ruin the farmer, the days when every farm was a packing plant, and there was a woolen mill in the corner of every kitchen. For most farms churned their own butter,

spun their own wool, wove it into cloth, and hewed their own lumber—and when necessary molded their own bullets! The "good old days!"

If one thing more than any other has contributed to the increase in the price of farm lands it is the greatly increased production of better live stock on the farm, and that was made possible by the packer. The packer has furnished the farmer an all-year-round market for his stock, to say nothing of the way he has made it possible to use up poor stock which used to be discarded, and found ways to use all of the by-products which used to be considered valueless.

And there is the big, modern mill, with its labor-saving devices, making it possible to take the poor and smutty wheat, clean, wash and scour it and convert it into good flour that sells at top prices. This wheat used to be thrown away.

The modern elevator is also a factor, and the railroads have helped greatly. The first years that I raised crops of grain in North Dakota it cost me twenty-seven cents a hundred to transport it to Minneapolis. Before our Government took charge of the railroads, just before the War, it cost me twelve cents per hundred to get grain to Duluth or Minneapolis. Don't you think that this has helped to advance the value of farm land? I know it has added many dollars to my bank account, and I know it has raised the price



THIS is John Scott who runs a farm out in Grand Forks County, North Dakota, and makes a good living on it. He is a "radical," but not the kind you are thinking about. He believes so-called "big business" has helped the farmer, likewise the trusts and packers; that politics and politicians are not going to save him; that he doesn't need saving from the outside; that the farmer can save himself. And he talks right out in meeting.



for which anybody can now buy my farm.

The cream separator, the large centralized creameries or butter factories competing with the farmer's cooperative creameries, are in the game: boosting the price of farm products, making farms more valuable to their owners, therefore boosting the price of farm lands.

And last, but not least, comes the cheaper dollar of recent years. This has worked to the advantage of the farmer, instead of wrecking him, as you would think to hear our long-haired sympathizers sympathize with us. The people who put their money into safety vaults and sure-thing, low-rate, interest-bearing paper now find that their dollar is worth about half what it was a few years ago. But the man who bought farm stock and farm lands a few years ago is now awake to the fact that his property has nearly doubled in value, and has paid on the investment at the same time.

### Farm Versus City Profits

WITH all of these widening markets and growing opportunities, and with farming becoming truly a business, the farmer has become more specialized.

Thus we find the farmer today buying pork chops from the butcher and butter from the grocer, and it is the general practice to sell raw wool and buy wool cloth or clothing. The reason the farmer does this is because he has found it more profitable to enter into the general scheme and to sell his raw materials and buy goods made from them, than to try to make them himself.

It is the absorption, but not the complete absorption, of the farmer into the system of specialization and exchange that has brought about a great many of those things which our politicians refer to as "farm ills." What I mean by this is that

the farmer still obtains from his farm a large part of his livelihood—certainly, he grows his own table vegetables and a great many other things which in the city eat up the income of the worker—and still wants to calculate his earnings not on a living plus a given amount of money in the bank, but on the given amount of money in the bank compared with the income, not the savings, of the city worker.

This is not sound for the reason that the city worker deals exclusively in exchange, or money, and the farmer only partly. Thus the city man who makes a given salary must spend most of it in shelter, table fare, fuel and things of a similar nature, while the farmer does not count these things at all in estimating his income, but takes his shelter, much of his food and similar items for granted.

The farmer is likely to add up what he considers his profits, that is, his money in the bank, at the end of the year and figure this as his net gain, comparing it in his new consciousness as a specialist to the income of the city worker; whereas the city man who makes a salary or a profit several times larger than the net gain of the farmer, under the same system of reasoning, has in most cases no net gain at all; that is, no surplus in the bank at the end of the year.

Thus we find the farmer in business, but inclined to consider himself in business only in certain regards—the gains—and not in business, but in a sort of a Red Cross mission, in other regards—the losses. Every business has a hazard. Every business is a gamble. I don't know of one that does not entail some kind of a hazard, that does not require a gamble. The farmer, I think, has more gambling chances to face than has almost any other business. But after all, they are business hazards. Farmers must gamble. They must gamble along sane lines. Several times I have taken consecutive

losses on my wheat crop only to run into a bumper crop with bumper prices and cleaned up considerable money.

You may think at first glance that it is a gift of the gods that bumper crops and high prices should come together. But it isn't anything of the kind. Bumper crops in consecutive years are unusual. Therefore, bumper crops are preceded by one or more years of lean crops. And the farmer who does not gamble along the same lines that other business gamblers do, deserts a crop as soon as it shows a loss and jumps to one which was a winner last year. Thus when the bumper crop comes, production is low and prices are high as a result.

Now as an illustration of what I mean by this: this year's crop of winter wheat was a good crop. Prices were high. Farmers in the winter wheat states made good money. When the winter wheat crop was harvested, the Government sent out questionnaires through Kansas, Nebraska and other winter wheat areas to find out what these farmers who had obtained good prices for winter wheat were planning on putting in next year; and it was found that an increased acreage of 7 per cent on winter wheat was planned. Seven per cent increased acreage is a very great deal; and, subject to the usual hazards, there will be an overproduction of winter wheat next year.

### Paying the Failure's Bills

IT IS the opinion of many that when the farmer guesses wrong, or when conditions over which he has no control work against him, the rest of the people, which, of course, includes the rest of the farmers, should give him assistance.

"This is the basic industry," they say. "If the farmer fails, so does all other business."

Others say: "Whatever else happens, we must eat."

I am not concerned here with the forms of aid that are from time to time contemplated or put into effect. Nor am I discussing the avenues through which this aid is directed. I refer to farm aid in the abstract sense when I say that it is practical as a vote-getter and as nothing else.

As a rule, these plans have to do either with the loans of money or with the marketing of grain, including stabilized or guaranteed prices. I think this is wrong in theory; but even if it were right, the practical application might not be all that is imagined.

I must take an example of financial aid in my home state of North Dakota. When the Non-partisan League got control, a system of state loans was instituted which would permit a person to borrow money from the state for certain purposes. Well, the result was that the private banks retained all of the good loans themselves, loaned money to the responsible and capable citizens and left the others to the state. In fact, since many or most of these others owed the banks money, the banks did everything possible to get the state to loan them money with which they could pay back the banks! This venture lost a good deal. I've forgotten how much it was, but it was several hundreds of thousands of dollars, perhaps more.

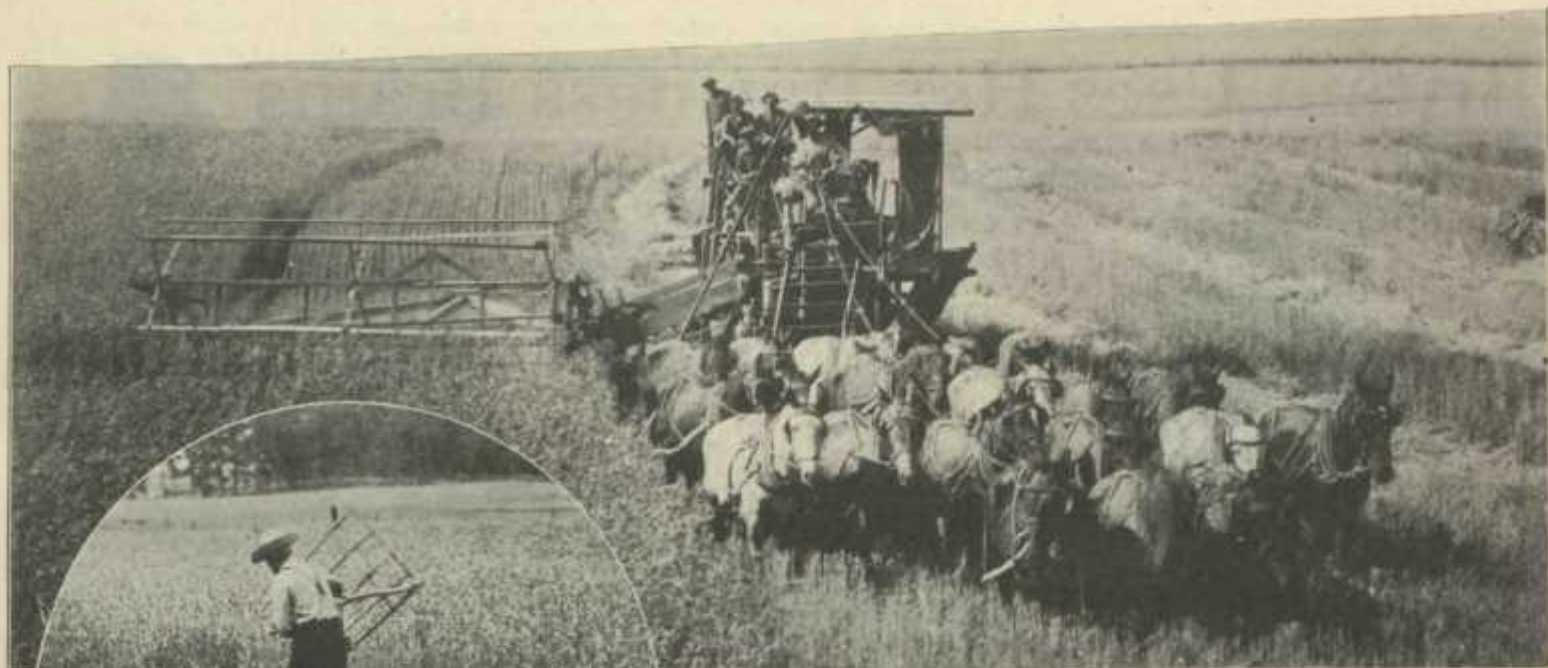
Of course, nobody on earth paid these losses but the people, through taxes; and most of the people in North Dakota are farmers; therefore, we have the successful farmers paying for the losses on loans given to unsuccessful ones; and if this were to be attempted in any other line of business, the bowl from the successful merchants would shake the heavens.

This Non-partisan League promised lower



"I can remember when farming wasn't a business at all but just a living . . . when most farms churned their own butter, spun their own wool, wove it into cloth, and hewed their own lumber"





© EWING SULLOWAY

There was a time when harvesting was a slow and tedious task, when the farmer cut and cradled his wheat by hand with the help of his wife. Then came a better, swifter, more businesslike way, the way of twenty and more horses hitched to the reaper riding through great empires of grain, the way of the gasoline tractor putting the power of fifty horses at his command.

taxes, and everybody was yelling for lower taxes, yet a great many of these same people want the Government to pay out money to help the farmer. In fact, I have heard the political cry, "Lower taxes and financial aid for the farmer!" shouted from the same platform and from the same throat.

Any method of farm aid is unsound. I am not trying to dodge any issue when I say that no matter what the aid is, it is certain to stimulate overproduction—overproduction not as an occasional accident, but as a settled habit.

If wheat at two dollars is guaranteed the farmer, I don't care through what scheme, why of course all of the farmers are going to grow wheat and neglect the crops on which they might still have to gamble; and the people who try to guarantee the farmer two-dollar wheat will find themselves with so much wheat they will be buried; and this will increase annually until when the crash comes, we will find thousands and thousands of farmers left helpless. Some methods of proposed aid include not only the so-called stabilizing of a basic commodity, but the raising of the price of a number of things, thus calculated to raise the entire standard of farm product prices. This will result in overproduction through another channel—more farmers.

I understand that some of these plans contemplate the taking up of the surplus and selling it at world market prices, while just enough wheat is left at home to keep the price high. But perhaps we forget that the other people of the world are just as wise as we are and that they have their farmers, too, and that if we begin to put their farmers out of business, up goes a tariff wall, and back comes our grain to roost. As an example of what I mean, it is possible to buy wheat

flour made in Minneapolis, at Grand Forks, cheaper than the Grand Forks mills can make flour for; and this is due to the fact that the Minneapolis millers fill their own market at a set price and then dump the surplus outside of their own territory at a reduction.

It works in this case; but if the Grand Forks miller had anything to say about it, he would build a tariff wall around Grand Forks. It just happens that countries can pass tariff laws and the Grand Forks miller can't. So even if we could break even by holding wheat for high prices here and dump the surplus on the world at low prices, some day a tariff will face us and the whole false fabric will collapse.

#### More Common Sense Needed

IT OCCURS to me that if farming is a business venture—and it is nowadays—it must get along on its merits just as any other business does. If it is petted, if prices are artificially raised, more men will become farmers; and those who are now farmers will overproduce on the crops that are guaranteed or almost guaranteed; and the balance will be disturbed. We will find farming based on something other than supply and demand, something artificial; and there is nothing ahead but chaos.

We hear that farm boys should be encouraged to stay on the farm, and well-meaning people who know nothing about it tell us there should be a general "back-to-the-farm" movement. This is just another method of artificial manipulation based on a philosophy which I can't for the life of me figure out. Good heavens! there are now too many farms and too many farmers; and if there weren't too many, we wouldn't have all of this trouble.

Now in the clothing business or the peanut-stand business or the oil business or the haberdashery business, when there are too many men engaged in the line; that is, when supply exceeds demand, somebody must close up and steal away as the Arabs used to. If a haberdasher were to be given government aid when his business began to shake, and he were put on the same basis as his success-

ful rival—well, consider the collapse of business and with it the collapse of government. I think there is too great a tendency to regard the farmer not as a man in business, but as a sort of welfare worker, a guardian of our stomachs (and of our votes!) who must not be allowed to fail.

Other farmers have said to me: "See here, Scott, if farming is now a business or a trade, we must get together as do men in other businesses and trades and control our destiny."

A lot of these schemes sound pretty good, too. But again we come around to overproduction. Let us suppose that by a spring wheat pool a lot of Minnesota farmers hold their grain for high prices and get them. Well, other farmers see these farmers getting high prices for wheat, and they get their land full of seed wheat as fast as they can, until everybody is raising wheat, and you simply can't hold prices high for everybody.

The farmers who don't join the pool or pools will throw a lot of wheat on a starved market and get fine prices, and the people will tell the pooling farmers to go to hell, and the farmers will have to dispose of their holdings at lower prices, and from this they will have to deduct the all-fired high salaries of these people who are so enthusiastic about such things.

The pooling farmers say "we should control our own destiny"; but I am not interested in pooling, because I have farmed a good many years and have done quite well at it; and I have the conceit to think that I know more about marketing my grain than do men who, in most cases, are at the head of cooperative agencies, because they couldn't make their own farms a success.

It seems to me, as I go back and read over what I have written, that I have taken an awfully long time to set down a very simple thing. It is this: that farming is a business, subject to business hazards; and that there are successful and unsuccessful farmers, just as there are successful and unsuccessful grocers or clothiers; and there always will be in spite of all we can do; and that if the unsuccessful ones are bolstered up artificially, the whole thing is on a false basis and cannot exist.

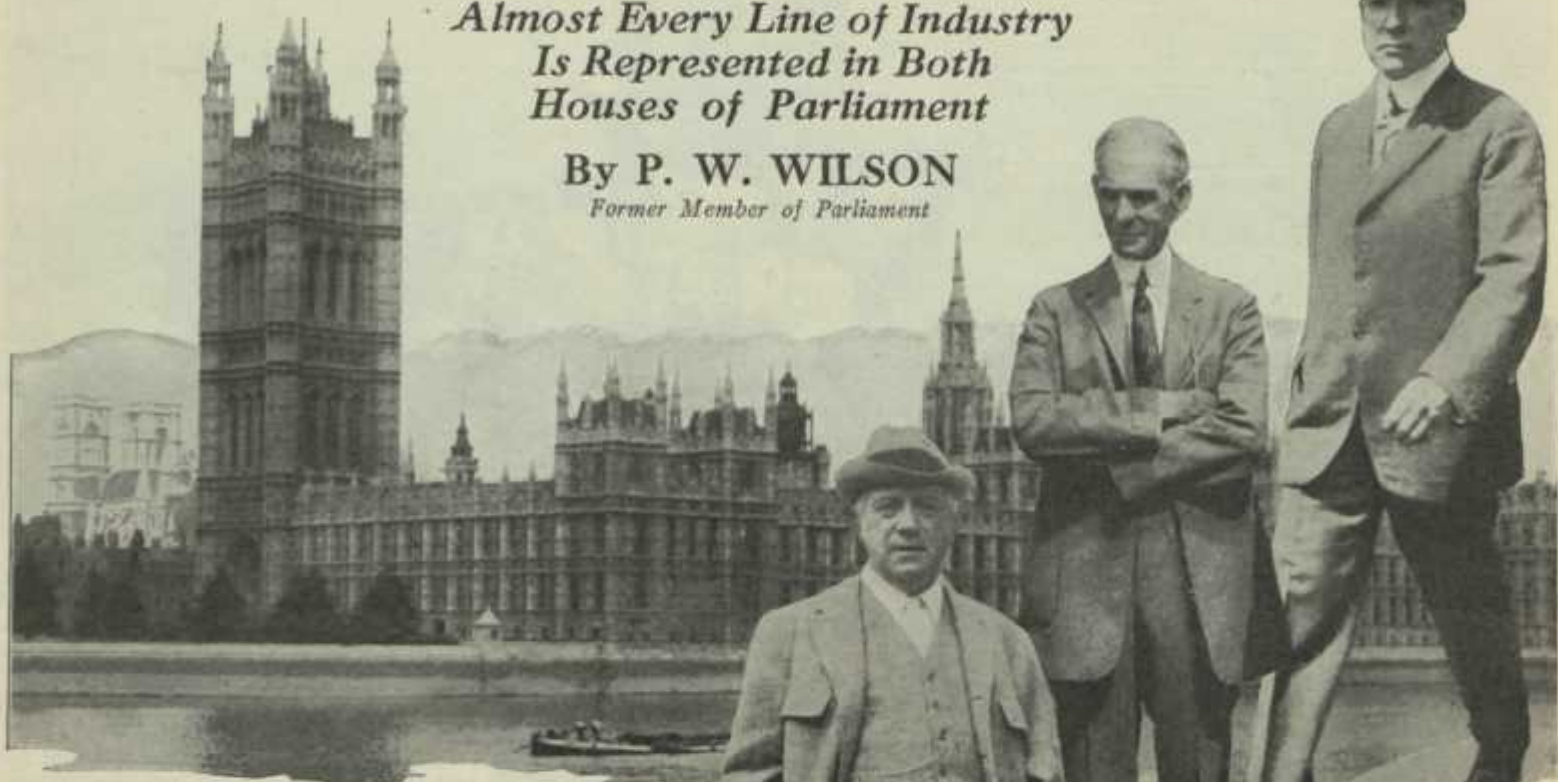


# Britain Uses Her Business Brains

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**By P. W. WILSON**

*Former Member of Parliament*



**T**O A WORLD that is now watching the United States and especially to the many English students of American institutions, it has been, for years, a matter of surprise that Congress does not include a larger representation of business men.

In Great Britain, names like Edison, Ford, Rockefeller, Schwab and a dozen others have long been household words and if these captains of industry had been British subjects, every one of them would have had a seat in one or the other house of Parliament. Their sons also would have been expected to fulfill public duties as legislators, mayors of cities or magistrates.

In ancient days, Britain derived her Ministers of the Crown from the landed interest and trade was "taboo," but for a century or more, commerce has there come into her kingdom. Sir Robert Peel, the Prime Minister who abolished the Corn Laws, was a cotton manufacturer and calico-printer, his son was an eminent speaker of the House of Commons, and his grandson also has held high office, both on the London County Council and in Parliament.

The Gladstones were merchants in Liverpool. The Goschens were in finance. The Chamberlains made hardware and munitions. Campbell-Bannerman—a Prime Minister—derived his wealth from a dry-goods business in Glasgow. Stanley Baldwin, also a Prime Minister, and his friend, Sir Robert Horne, are in iron and coal.

Bonar Law was trained in Glasgow as a shipowner. The family of Pease, which gave many members to the House of Commons and added also to the peerage, have been Quakers. They financed George Stephenson, the pioneer of railways, and led the industrial development of northeastern England.

To all who deal in exports and imports, the name of Sir Christopher—later Viscount—Furness and his steamers are familiar. The Holts, as shipowners, have also been represented at Westminster. Among international

financiers, the Rothschilds have been prominent in politics, and the bullion house of Samuel and Montagu has furnished a Secretary of State for India and the first Governor of Palestine. Lord

Cromer, the maker of modern Egypt, was a Baring of banking fame, while Sir Eric Geddes, who ran the British Navy during the war, gained experience by managing railways.

Commerce and statesmanship are thus regarded in Britain not as rivals but as allies. And as hostesses, the daughters of commercial magnates, when married, play an important part. Many sons of commercial families are released by their private means from actual business, and so bring into politics the inherited ability and outlook of the commercial mind. These men may rank as "gentlemen," even as lords, but they are in touch with trade; they know what is meant by industrial vicissitudes; and they could undertake a commercial career.

Indeed, to analyze the affiliations of the Houses of Lords and Commons with productive and distributive business would be a colossal and a bewildering task. In that famous book of reference, *Debrett*, I find a list of seven recent peers, as follows:

H. C. Gibbs—Finance—son of Lord Aldenham, another peer in the same firm. C. Napier Lawrence—Railways. H. Pike Pease—Iron and Steel. Sir Owen C. Philipps—Shipping. Sir George Younger—Brewer. Sir Robert Younger—Judge. Lord Robert Cecil—Lawyer.

It will thus be seen that of these seven ad-

The British House of Parliament on the historic Thames where Lords and Commons sit. Here, Mr. Wilson writes, a place would be found for Rockefeller, Ford, Schwab, Edison and men of like ability were they subjects of King George.



ditions to the House of Lords, five were in trade. Britain's nobility is today mainly composed of families which have made good in the open markets, at home and abroad. Soap has given us Lord Leverhulme, and Welsh coal produced Lord Rhondda.

The House of Commons is in even closer touch with industry, both capital and labor. It is true, that, in the House over which Stanley Baldwin presided, there were about ninety lawyers. Many of these men, however, had regarded law merely as an education and were actually engaged in production or distributive commerce. Reginald McKenna has, of course, retired from politics, but he is an excellent instance of a lawyer becoming Chancellor of the Exchequer and, afterwards, a banker.

### A Blue Book of Industry

IT IS ALSO true that the above Parliament contained about a hundred trade unionists, but this also is a fact, not to be entirely deplored. It has meant that the side of labor as well as capital is heard. Among the trade unionists, were civil servants, clerks, ship-stokers, a navy, a policeman, a pilot, a master saddler and a clicker in a boot factory. The navy was John Ward and in the war he was promoted to be a colonel.

Of business men, one may discover scores. In the financial group—bankers, stockbrokers and insurance—there were at least twenty-two. They include Sir John Harwood-Banner, of Liverpool, perhaps the leading accountant of his generation, and Cahir Healy, of Fermanagh and Tyrone, a Sinn Féin and insurance agent. Of brewers, I find five; of shipowners, twenty-one; of railway magnates, nine; of cotton kings, eight; coal, six; and in the metal, mining and engineering group, forty. Finally, we have members, numbering seventy-six, engaged in various businesses and professions, which include aeronautics, medicine, the Church, explosives, timber, slate quarries, chocolate, boots, tramways, electric lighting, wool, corn, tobacco, alkali, clothing, hosiery, antiquaries, horse-breeding, tea-planting, schools, cinemas (or movies), publishing, newspapers, jewelry, printing, automobiles, oil, journalism, soft goods (textiles), chemicals, auctioneering, etc.

If, for instance, Parliament wishes to discuss housing, it has at hand architects, real estate agents, builders, laborers, and even house breakers and contractors, with house furnishers also, who can present every angle of the problem.

One might mention instances. There is Sir Davison Dalziel, Chairman of the Pullman Company (in Britain) and of the International Sleeping-Car Company. There is Sir George Croydon Marks, the expert upon patents. There is Sir Henry Norman who knows all about radio. There is Sir Alfred Butt who runs theaters. There is Mrs. Philipson, who adorned the stage. There is Sir William Bull, a director of Siemens. There is Sir Arthur Shirley Benn, who has served as President of the Associated British Chambers of Commerce. There are leaders of the cooperative societies. There is the son of Hall Caine, the novelist, who has become a shipowner and papermaker. There is a brother of the late Keir Hardie, the Socialist, who has risen from miner to capitalist. There is Leach, the Labor member, who runs a worsted mill. There is James Childs Gould who is "chairman of eighteen companies and director of numerous others." And there is, in Sir Robert Horne, a director of the Suez Canal Company.

Members of the House have interests all over the world—in Latin-America, China, India, the Straits Settlements, Africa, Persia

and New Zealand. Samuel Samuel, for instance, is oil incarnate. And others handle copper, zinc and similar products.

The result of this is that no question, affecting trade, can arise, on which the voice of the traders, so affected, is not heard. And this, after all, is an immense advantage to the nation. A civilized community is today one and indivisible. There may be private enterprise, but, even so, all business has become the nation's business.

And most legislation affects business. You pass a law forbidding children to earn a livelihood on the streets and at once you are confronted by the sale of evening newspapers. You say that children at school shall not be employed in factories, and at once you learn that in Lancashire "the half-timers," working at cotton, add to the income of the family. You restrict the use of phosphorus and the makers of matches become vocal. You limit the hours of sale for liquor and you hear from the hotels. The House will always listen even to a bad speaker when he is talking about what he knows and such a member, though obscure, usually "catches the eye" of the Chair and receives recognition. He is expected to be informative, rather than rhetorical.

If the business member is thus invaluable, the reason is that in the British Parliament, as in other legislatures, you have what has been called, rather unkindly, the professional politician. This is the man (or woman) whose whole time is devoted to public affairs. Every day of every week of every year, he is handling words. Either he is reading them, or he is writing them, or he is orating them. In a sense, politics do form a profession and an honorable profession, but the danger with a Parliament which consists wholly of professional politicians is that it gets out of touch with realities.

Words, however eloquent, do not make wheels go round. They do not grow wheat, bake bread, drive engines, spin yarn, weave cloth and build houses. And sometimes words have stopped such production. We need lawyers in Parliament and we have them, but the lawyer is also a theorist. He is more accustomed to telling us what we should not do than he is to explaining what ought to be done. And it is never safe to leave to lawyers the sole responsibility for framing laws.

### The Value of Frank Debate

THE BUSINESS member of Parliament takes each statute, as it is proposed, and tests it by his own practical experience. For example, it was Speaker Whitley, of the present House of Commons, who, from his knowledge as a manufacturer in Yorkshire, was able to frame a scheme of conciliation for trade disputes.

It has been said, that business men, when they debate and vote, are not disinterested; that, for instance, when the brewer speaks on brewing or the shipowner speaks on ships, he has an axe to grind—that he is thinking of his pocket and not of the nation. But it is, after all, more wholesome for "business" and especially for "big business," thus to speak, frankly and fairly, from the floor of the House than for such interests to be kept at arm's length in the lobbies. Debate is reported. A man can be held to his words. In nine cases out of ten, what the business man in Parliament does is to supply the facts to which Parliament is entitled. He is an expert who speaks from knowledge. Doubtless, he has his own point of view and he is not expected to be impartial. But no business member, who values his career, would wittingly mislead the members of the House.

The rule—one may indeed fairly call it the invariable rule—is for such a member, when discussing his own industry, to tell the essential truth as he sees it. He gets up frankly and says, "I handle cotton or bedsteads and this is how the bill before the House will change matters for me, my stockholders, my customers and my workers." The House may believe the evidence or may reject it. Seldom is any evidence accepted at full value.

### Meeting on Common Ground

ALSO ONE must bear in mind that it is not the formal discussion alone which matters. Members, irrespective of party, meet at dinner, at tea and in the smoking room. They converse, exchange impressions and so prepare the way for a reasonable verdict. Such a verdict is not always pleasing to either side but as a compromise, it enables life to go on without a rude interruption. Capital and Labor learn that, after all, industry consists not only of machines, but of mankind.

Employers and employed meet on a common ground, to get their labels and their battle cries, and reach a broader national and international outlook. Into particular phases of industry, there have been and there always will be special inquiries. But, in the event, let us say, of a coal strike, it is an immense advantage for Parliament to be able to proceed to a policy of conciliation without having to summon witnesses before some committee which has never seen a coal mine.

Industry is often denounced by its critics. In Parliament, industry has the right of reply. It is one thing for an opponent to launch a violent attack on a platform where he cannot be answered. It is quite another thing for this same man to get up in the House of Commons and confront responsible men, who know about the subject at least as much as he does, and will reduce his fervid phrases to the cold temperature of actuality.

A Labor member, like Cecil Wilson, may conduct, as he does, a gold-refining business in Sheffield, which depends absolutely upon meticulous care and skill, the very smoke of the furnaces being washed lest it carry away some infinitesimal percentage of precious metal. And on the other side, you have Sir Allan MacGregor Smith, Chairman of the Engineering and National Employers Federation, who is as much responsible as any man for helping to keep Britain peacefully at work.

Britain thus mistrusts the merely theoretical politician. She does not like to act unless she has the facts stated by men who have to deal daily with the facts. She refuses to accept fine phrases without proof. And she makes it a rule to discover what a formula really means in action before she submits to it.

If a business man puts up as candidate, therefore, a constituency does not turn him down, merely because he is in business. Still less does it reject him because, in business, he has been a success. It expects him to be honest. It punishes him with outer darkness if he is found to be other than honest. And, as a rule, its confidence is not misplaced.

As one who has been in politics, I was always insistent with myself that I would never be dependent on politics, financially. The business member has his advantage, that if he be turned out of Parliament, he still has his business left. He can therefore serve his constituents, not as mechanical delegate but as a trustee for their true interests. He can afford to resist mere clamor and to risk unpopularity. His membership in Parliament is not a job, to be retained at all costs, but a service to be rendered to the community.



# Into Business by Way of the Law

"The greatest trust between man and man is the trust of counsel."—Bacon.

**T**HE NUMBER of men who started out with vaulting ambitions to become eminent lawyers pure and simple, and have drifted or been drafted away from the profession to become heads of important business, industrial or financial institutions, is surprisingly large.

Business is the lure of this day and age. This is the *business age*. Harvard University has just issued a booklet entitled "Business, a Profession," and even the head of a university now must be a good business executive who knows how to raise money and keep a big machine running. He even may be a college president without being a pre-eminent teacher or a teacher at all. Two of our foremost universities—Columbia and the University of Pennsylvania—within the past twenty years had merchants as presidents. The last president of the University of Michigan before the present incumbent, Dr. Burton, was Harry Hutchins, a lawyer. Herbert Hadley, former Governor of Missouri, who before his entrance into politics was a busy member of the legal profession, has just been elected Chancellor of Washington University, St. Louis.

## Why Morgan Picked Judge Gary

**Y**EARs ago people were wont to say, "Lawyers don't know anything about business; they can draw legal documents and try cases in court; but they don't know anything about business." That won't go today.

Judge Gary, a lawyer, runs the United States Steel Corporation—the largest industrial corporation in existence. My understanding is that Judge Gary was a judge of a county court in Illinois and at the same time had a law office in Chicago. When it was proposed to form a combination of steel manufacturers, he came to New York with his clients, who controlled what then was, or soon came to be, the American Steel & Wire Company.

He impressed J. P. Morgan, who finally formed the combination, as just the sort of man that was needed for the position of chairman of the gigantic corporation about to be created. Mr. Morgan wanted a business man who knew how to select and manage men, a man who knew how decisively to decide difficult problems with the least offense to anybody. He wanted a man who knew how to please the public, but who at the same time could get ample profits for the company, and he selected Judge Gary.

I remember Hale Holden when he was a junior member of a fine law firm in Kansas City. He seldom appeared in court. At that period he gave no violent evidence he was going to set the world afire. His firm was the local counsel for the Burlington Railroad System. Then he became an assistant in the office of the general counsel of that system in Chicago. There he attracted the attention of James J. Hill, the genius who controlled the destinies of the Burlington.

Mr. Hill saw that Holden had marked ability and industry and a fine grasp of affairs. After a time he had Holden made president of that vast system, and he made good. His fitness for even a more trying position was recognized by the railroad presidents of the country, when they elected him their chair-

By HENRY WOLLMAN

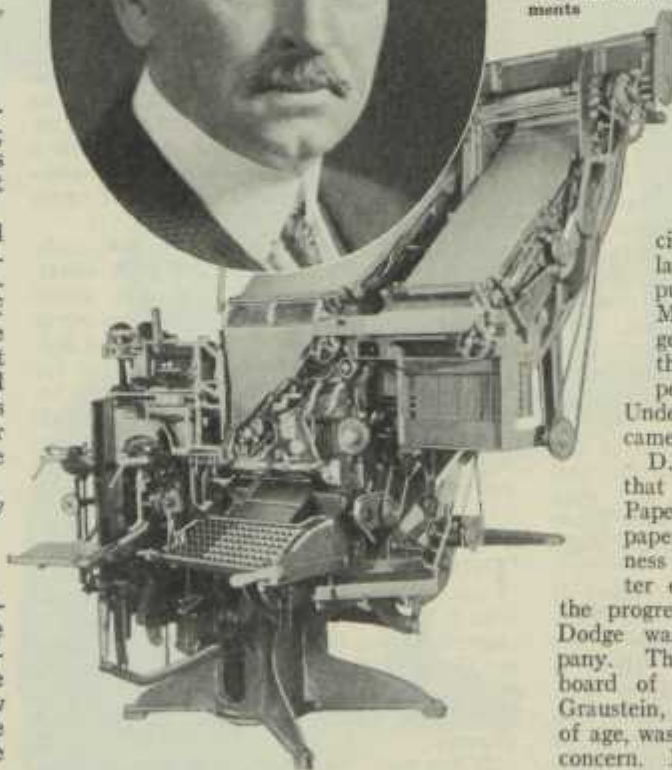
Member of the New York Bar

man. His legal training has been of great benefit to him in meeting the problems growing out of strikes, and in meeting the questions before Congress.

Judge Robert S. Lovett—I believe the appellation "Judge" is honorary—was a member of a law firm in Houston, Texas, which, if located in New York or Chicago, would rank among the largest. His firm was counsel for the Harriman railroad interests in Texas. That brought him in contact with E. H. Harriman, the marvelous builder, who knew how to pick men. Judge Lovett was and is an



Once upon a time, as all fairy tales begin, Philip T. Dodge was a patent attorney, but his activities as head of the Mergenthaler Company, maker of linotype machines, and of the International Paper Company are very real achievements.



unostentatious man, with not a bit of "show-off" about him. Mr. Harriman concluded that he had the qualities that he needed in a general counsel. You would have thought that among all the thousands of lawyers in New York City, he could have found one who would have met his ideas as to what he wanted in a general counsel, but he went to Texas for his man.

He saw in Judge Lovett a man who could not only give excellent legal service, but one who could help think out and work out business problems. Judge Lovett became general counsel of the Union Pacific and Southern Pacific Railroad System, and moved to New York. Upon Mr. Harriman's death, the directors made him the business head of these

corporations. Later, he relinquished the presidency of the Southern Pacific, and having done what many men in America do—laboring too hard and never sparing himself—not long ago he was compelled to retire to a considerable extent from active work.

E. W. Beatty, a young Canadian lawyer, was an assistant to the general counsel of the Canadian Pacific Railroad System, extending from ocean to ocean. Upon his chief's death he was made general counsel. A vacancy occurred in the presidency, and Mr. Beatty was made president of the entire system, and recently has been advanced to the chairmanship of Canada's biggest business institution.

Daniel Upthegrove, president of the St. Louis & Southwestern Railroad (the Cotton Belt) is a lawyer, and so is H. R. Kurrie, president of the Chicago, Indianapolis & Louisville Railway—"The Monon Route."

Philip T. Dodge, a patent lawyer, did some legal work for the Mergenthaler Company, which makes the linotype typesetting machine. Not only had he a legal mind, but also a mechanical mind, and a good business head. The Mergenthaler Company was in its precarious infancy. Pretty soon the people who owned it decided that the company's patent lawyer would be just the man to put at its head. I was told that Mr. Dodge himself invented or suggested many of the improvements that now form a part of the present perfected typesetting machines.

Under his leadership the company became a stupendous success.

D. O. Mills, a large stockholder of that company and of the International Paper Company, generally called "the paper trust," wanted a man with business ability and vision to run the latter enterprise, which was not making the progress that had been expected. Mr. Dodge was made president of that company. Then he became chairman of the board of the paper company, and A. R. Graustein, a Boston lawyer under forty years of age, was made and now is president of that concern. I presume that Mr. Dodge's salaries from those two companies are at least as much as any lawyer in the United States makes, year in and year out, by his legal practice.

## Maybe Porters Go to Law School

**G**EORGE M. PULLMAN'S successor as president of the Pullman Company was Abraham Lincoln's son—Robert T. Lincoln, a member of the law firm of Isham, Lincoln & Beale, of Chicago—Mr. Pullman's lawyers. Mr. Lincoln's successor as president was John S. Runnels, a lawyer.

Charles D. Wetmore, of Warren & Wetmore, the New York architects who have planned large buildings on this continent and abroad, among them the Grand Central Terminal in New York, is a lawyer. I have no idea how he happened to become a member



of an architectural firm. We must not forget, however, that now it's the business of some architects for extensive buildings not only to make the plans for their erection but also to get up the financial plans and to assist the owners in the actual financing.

Henry C. Ulen, at one time a struggling lawyer, is the head of the engineering com-

Hotels Company of America, operating a chain of hotels in this country and Canada.

The new president of the First National Bank of New York, controlled by George F. Baker, is Jackson E. Reynolds, a lawyer who came to New York from California. Prior to becoming connected with the First National Bank, he was in the law department of a railroad in which Mr. Baker was heavily interested. Many other banks and trust companies have lawyers as presidents or in other important executive positions. Many private banking houses of New York and Chicago and other cities have lawyers for partners; so have quite a few stock exchange houses.

Charles A. Peabody is the president of the Mutual Life Insurance Company, William A. Day, of the Equitable Life, and Haley Fiske, of the Metropolitan Life—New York companies—all of them gigantic institutions. These three men are—or shall I say, were?—lawyers.

Recently, John R. Hardin, a hard-working, capable, upstanding lawyer of Newark, N. J., was made president of the Mutual Benefit Life Insurance Company, a large, solid, old-fashioned company. The new president of the Prudential Life Insurance Company of Newark, one of America's largest life insurance companies, is

Edward D. Duffield, a lawyer who had been the company's associate general counsel. Nearly all of the presidents of the Mutual Benefit have been lawyers—in fact one had been a vice-chancellor of New Jersey—but the Prudential until now has always had a "business man" at the head.

#### Four Very Oily Attorneys

THE PRESIDENT of the Northwestern Mutual Life Insurance Company of Milwaukee is William B. Van Dyke, a lawyer. Some or all of his predecessors were lawyers. These are a few of the many insurance company heads who are members of the legal profession.

Colonel Robert W. Stewart—I don't know why they call him "colonel"; maybe he is a real colonel—when a farmer boy in Iowa, acquired an education. He studied law and became a lawyer. He entered the legal department of the Standard Oil Company of Indiana, at Chicago. Later he became general counsel. His duties required him to meet the public and adjust differences—sometimes very radical differences. When a vacancy occurred in the presidency, he was the first man whom the astute directors thought of for the place. They selected him some years ago, and there he is right now.

E. W. Marland, president of the Marland Oil Company, was a country lawyer in Pennsylvania before moving to Oklahoma. Henry M. Blackmer, at one time prosecuting attorney at Colorado Springs, is the chairman of the Midwest

Refining Company, now a part of the Standard Oil Company. Amos Beaty, a lawyer, is president of the Texas Oil Company.

Alexander New, now of New York, president of the Mercantile Stores Corporation, operating a chain of department stores extending as far west as Montana, practiced law in Kansas City. Albert Loeb, first vice-president of Sears, Roebuck & Company, is a lawyer. Silas Strawn, the Chicago lawyer who was named to represent the Government in its controversies with Sinclair and Doheny but was rejected, has just been elected chairman of the board of the Wahl Company, manufacturer of Eversharp pencils and pens, and unless my memory is at fault, he is chairman of Montgomery Ward & Company, the mail order house.

#### In Automotive Industry, Too

VICTOR W. SINCERE, president of the newly formed National Department Stores Company, was a lawyer in Chicago. Alvan Macauley, president of the Packard Motor Car Company, Detroit, is a lawyer. Cornelius F. Kelley, who was counsel for the Anaconda Copper Company, one of the world's largest copper concerns, has become its president. Colonel Samuel Pomeroy Colt, for quite a period Attorney-General of Rhode Island, formed, and until his death was president of, the United States Rubber Company, manufacturer of tires and of all sorts of rubber goods.

There have been some "backsliders." Frederick P. Fish, rated by many as the leading patent attorney of this country, on the death of Theodore Vail, became president of the American Telephone & Telegraph Company, but after a few years resigned and returned



"From Blackstone To Biscuits" would make a most appropriate title for the biography of the late Adolphus W. Green, who left the practice of law to direct the destinies of the National Biscuit Company, which he founded.



pany that built the tunnel under the Catskill Mountains.

The National Biscuit Company was formed by Adolphus W. Green, a lawyer. Mr. Green was a school teacher, then librarian, and, when near thirty, was admitted to the bar in New York, and then practiced in Chicago. This country was dotted with cracker factories cutting each other's throats. Some manufacturers came to Mr. Green for counsel. He formed two companies to take over some of the larger concerns and by scrapping useless factories, reduced their manufacturing costs. These companies immediately began making bakery goods of standard quality. They were so successful that other baking companies, realizing the advantage to the insiders as well as to the public, became eager to join, and the result was the formation of the National Biscuit Company, with Mr. Green as president.

#### Front! Lawyers Run Hotels

HE USED the word "biscuit" for our old American cracker, devised the package that keeps the contents fresh, and added new kinds of crackers and also candies to the company's output. The company's trade mark, adopted by him, is an old printer's symbol he found in his extensive library, and the wrapper design was taken from an old book. When Mr. Green died, the directors chose another lawyer—Roy E. Tomlinson—to be his successor, and he is president now.

William Butler, the manager of President Coolidge's presidential campaign, before becoming the owner and operator of cotton mills—and I think also woolen mills—in New Bedford, Mass., practiced law. Clem L. Shaver, the manager of Mr. Davis' presidential campaign, was a lawyer before he entered into farming on a large scale.

Frank A. Dudley and Brigadier General J. Leslie Kincaid, both lawyers, are president and vice-president respectively of the United



Alvan Macauley, several years ago, detoured from torts to turques, abandoning his law books to take the presidency of the Packard Motor Car Company.



to the practice of the law. He had been at the bar so long that apparently the new position did not suit him.

Judge Gary was not a steel manufacturer. A man at the head of a big business does not necessarily need to know anything about the minute details of its operation. He might be president of a dry goods corporation without being salesman enough to sell a difficult customer a yard of flannel.

I know a lawyer who took charge of a dry goods combination when it was stranded. He could not and probably cannot yet tell whether a piece of white goods is linen or fine cotton. His management of that corporation, however, was such that its stock, which was worth two or three dollars a share when he took hold is now worth more than \$300 a share. His work was not to buy or sell goods, but to decide the policies and the major questions that were constantly arising.

### Business Needs Legal Brains

ONE DAY I said rather tauntingly to Earl Babst, who had been the general counsel and later vice-president of the National Biscuit Company, and then was made president of the American Sugar Refining Company:

"Friend Babst, you don't know anything about raising sugar cane or making sugar, do you?"

He said, "I know as much as it is necessary for me to know. I get the heads of all the departments around a table nearly every day. They are able men. They discuss the questions connected with the operations of our business. They generally do this with spirit, vigor and emphasis. All sides of the questions are presented and fully argued. I sit there like a judge, and after hearing everybody, make up my mind, without offending anybody, what is the best plan for the company to pursue."

Why are lawyers selected for those big business positions?

Possibly the case of the three Americans who were selected to sit in with the Reparations Commission, to settle the financial and business disputes between Germany and the Allies, and who produced results that challenge the wonderment and admiration of the world, furnishes something of an answer to that. They were all men actively engaged in business who had been lawyers. Was this a mere coincidence? Was it accidental? I don't think so.

One of these men, General Charles G. Dawes, the president of a trust company in Chicago, had practiced law in Nebraska. Owen D. Young was counsel for the General Electric Company, and he had no backing except his brains. When the chief executive of this corporation, which is the world's largest manufacturer of electrical machinery, wished to resign, Mr. Young was selected to be its business head. Henry M. Robinson, a banker of Los Angeles, had been a practicing lawyer.

These men, by reason of their training in law and business, were particularly fitted to tackle the extraordinarily difficult problems pending in Europe, that, directly or indirectly, were affecting civilization everywhere. As lawyers, they had learned that in ninety out of a hundred controversies, neither side is one hundred per cent right nor one hundred per cent wrong. They had learned, therefore, that before you reach a conclusion as to the real merits of any controversy, you must hear both sides.

And as business men they had learned that it is not infrequently wise to settle with a man for less than what you ought to receive, so as to be able to turn your attention to something else that will be more profitable.

As business men, they had learned how to study a man's financial situation so as to determine whether he ought to be helped or dropped. They learned what steps should be taken to resurrect the affairs of a man who is temporarily in trouble so as to put him in a position where he can pay what he is really able to pay, and they had learned to determine when and how he should pay it.

In days of yore, the noted lawyer was usually the man who was constantly in the court room, but that is not true now. Lawyers who are best known today in the large cities, with the exception of a few trial lawyers of unusual prominence, are the heads of the law firms that attend to important legal matters of business.

I have often wondered what moved these lawyers who go into business, to leave the profession that they took so many years to train for. The practice of the law, contrary to what the public believes, is, with some marked exceptions, not exceedingly lucrative. The big fortunes that a few lawyers have, in most cases did not come from fees, but from taking advantage of opportunities for successful investment or speculation, when they did not get the wrong "tip."

When the public reads or hears about one or two big fees being paid to lawyers, and the chances are that the size of the fee actually paid is greatly exaggerated, they jump to the conclusion that every lawyer is getting that same size fee, and that the corraling of big fees is a part of the daily routine of the lawyer, but that is not so. Generally, the lawyer receiving the big fee is a member of a partnership, and his fees go into a general fund.

### The Sure "Meal Ticket" Lure

LAW-OFFICE expenses have increased like all other business expenses the past ten years. Office rents in New York and probably in other centers are two or four times those paid a dozen years ago. Law offices require a corps of well-paid assistants and employees. And last but not least, the income tax takes its heart-breaking toll—the larger the fee the larger the tax.

When all of these are deducted, and after the division between the partners is made, there isn't too much left for the individual lawyer to put aside for the rainy days which at times do come. The rank and file of

lawyers throughout the country, even those who are regarded as successful, as a rule only get a good living and do not accumulate large fortunes—certainly not out of the practice of the law. By going into business, a lawyer probably feels he gets a surer "meal ticket" and far more sumptuous meals, because successful corporations generally pay their chief executive more than their general counsel. There are more men capable of being the counsel for a corporation than men able to run it successfully.

Another consideration: In these days the heads of large corporations gain more and wider fame than the average successful lawyer. John G. Johnson, Philadelphia's most eminent lawyer, who died a few years ago, was regarded by very many lawyers as the ablest lawyer in America, but he was little known outside of Pennsylvania except to lawyers and financiers, and in five or ten years more his name will be entirely forgotten except by a limited number.

### For Greater Fame and Power

ON THE other hand, there is scarcely a man or woman in the United States who does not know the name of John Wanamaker—the "merchant prince"—who was a contemporary of Mr. Johnson. Mr. Wanamaker's name is, and for some generations to come will probably be, known to countless numbers all over the world.

There is scarcely a lawyer in Chicago, although he has a vast practice, whose fame, as far as laymen are concerned, extends beyond the limits of that city if that far. But Marshall Field, the dry goods man, while he was alive, was known to practically everybody in America, and his business stands there today as a monument to his memory. Judge Gary could have remained in the practice of law all his life in Chicago, and would not have had one ten-thousandth part of the fame that has come to him from being the head of the largest corporation in the world.

One of the things that induces lawyers to switch from the law to business is that the head of a great business corporation often exercises more power than a lawyer does. Every ambitious person, and some who are not ambitious, but very vain, loves to exercise power. Why should a man leave a lucrative law practice to become a member of the President's cabinet at a comparatively small salary? It often may be due to a feeling that the country needs him, but probably it is because he not only desires the glory, but covets the power that the office will give him.

It is almost unheard of for lawyers, after they have become partners in important firms or the heads of big corporations to attend to the law business. They concentrate on the business activities, keep the machinery running at as full speed as possible, and let the new general counsel look after and worry about the legal troubles.

I have mentioned a small number of the very many lawyers who have become business men, pointing out the lawyers who have been either promoted or demoted—as you care to look at it—to the leadership of Big Business. Every person—thinking of lawyers in his or her own community who are

now connected with important business concerns—will probably say, "Oh! I could give him the names of five or ten men he has forgotten to mention," and he or she is right.





# Getting Behind Our Public Utilities

By B. C. COBB

*Vice-President, Hodenpyl, Hardy & Co., Inc.*

**W**E OFTEN hear nowadays—as if it were something new—the statement made that we are in a transition period, that our ideas, opinions and beliefs differ greatly from those we held before the World War.

Our ideas and beliefs have changed to some extent—we learn as we go along—but as for being in a transition period, we have always been in such a period ever since the nation was formed. Only recently a man desirous of the greatest office within our gift—the Presidency of the United States—in a public address said:

"I am opposed by Wall Street, big business, the bootlegger, the corrupt press. These are the crooks and scoundrels who do not want me."

Bunk! And the man who said it knew it was bunk, but he got it off his chest and perhaps no one was hurt very much except the man who said it. The evil part was, however, his intimation that big business, the bootleggers and the press were in league to defeat the people's choice, to throw down their anointed son. A preposterous thought and an impossible thing, and yet at the same time part of a transitory period. Some will applaud and grow boisterous over such doctrine; others with sore spots in their hearts will become more dissatisfied; but the thinking class, the home-owner, the thrifty, will have none of it.

## Railroad Virtues Outweigh Faults

**T**HE steam railroads of this country have perhaps had more to do with its growth and prosperity than any other thing. Our transportation system, from small beginnings, has become the greatest in the world. They—the railroads and their management—have sinned and been sinned against. There have been stock jobbing and profiteering, rebating and sordid attempts to gain; but had it not been for men of vision, like Commodore Vanderbilt, James J. Hill, Ripley and Harriman, the West would not be what it is today.

Great fortunes were built up by these men of toil and battle, and perchance some things were done not in strict accord with the highest business ethics, but the risks were great, and it required nerve and courage to carry through. Why, then, should not the reward be great?

Our railroad securities are gradually being absorbed by all the people, not only bonds but stocks; and those railroads following out the example set by the electric light and power companies of selling stock to their customers will reap a reward, not only in finding a way to provide new money for construction and expansion, but in having a clientele interested and anxious to safeguard them against unwarranted and unjust attack. Here again we see transition, transition from ownership by the few to ownership by many.

Of one thing the railroads can feel proud, and that is that there is less water in their securities than in the securities of almost any other great industry of the country. I doubt if there is any water in the securities of the railroads taken as a whole—in fact, I am inclined to think that the valuations set upon them by the Interstate Commerce Commission will exceed the securities outstanding by several billions of dollars.

The electric railways of the country during the past ten years have probably been up against greater obstacles and confronted by

more problems than any other form of public utility. This is due in some measure to past mismanagement, watered stocks, and failure to provide for depreciation, but to a far greater extent to the expense and cost corollary to the advancement of the business; to old-fashioned and restrictive franchises which limited rates of charge for service rendered without holding down operating costs; to burdensome and unnecessary paving taxation, unfair legislation and political interference; and last but not least, to motor bus competition and use of privately owned automobiles.

Some companies have gone under, never again to come up; others have been reconstructed to the detriment of their security holders but to the benefit of the communities served; and still others have endured and continued to serve with credit to their management and their patrons. These last are those located where an enlightened public and sane authorities have allowed them to make a compensatory rate of charge for the service rendered.

Increased costs, both labor and materials, brought about by the war, hit the electric railways very hard; but worse still has been the blow from automobile competition. To say that any such competition should not and must not exist would be foolish. One might as well try to stop the hand of time. To say that such competition, not only competition from motor bus lines operated for profit but also competition from privately owned and operated automobiles, should be regulated, would be wise and for the best interests of all concerned.

Automobiles have come to stay. They have long since ceased to be a luxury, and are an absolute necessity. The manufacture and sale of automobiles has become one of our largest basic industries. For it to become involved in financial difficulties and to stop operation would be a disaster.

So, too, would it be a disaster to allow the electric railway industry, with a capital investment of approximately \$5,000,000,000, to succumb and be blotted out. The electric railway is not yet a thing of the past. It has served the people well for many years and will continue so to do for many years to come. It is the cheapest and most dependable form of transportation known for cities of size and population.

## Street Railways Indispensable

**N**O BUSINESS can succeed unless it earns, and the electric railway business in this respect is no different from any other. The life or death of the electric railway is clearly up to the people themselves. If a community really wants electric railway service, it will have it; but to do so it must pay for it either by a proper fare to a privately operated company or by including the cost in the tax bill under municipal operation.

I am not going to discuss the arguments of privately owned and operated utilities versus those owned and operated by municipalities. I do know, however, that one cannot get something for nothing or long continue to get without giving.

Motor busses cannot supplant the electric railway in towns of any size. They can, how-

ever be used in conjunction with and supplementary to the railway service, not only as feeders but by the establishment of new lines into new territory and by replacing unprofitable lines at times of new street construction.

In 1923, the electric railways carried approximately 16,000,000,000 passengers, or between 600,000,000 and 700,000,000 more passengers than in 1922, the then high water mark of the industry. The larger portion of this gain was made in the big centers of population like New York, Chicago, Philadelphia, Detroit, Baltimore and Boston; still at the same time increases were shown in the medium and smaller sized cities. This really is a wonderful record when we consider the tremendous automobile competition, and is significant in proving that electric railway service is something we are not yet ready to throw away.

That electric railways have been in a transitory condition during the past ten years is a question I think no one will argue. Prior to 1914, electric railway securities were more sought after than any other form of public utility security except perhaps steam railroad securities. Up to that time, with few exceptions, electric railways had continued year after year to show constant and consistent gains in the number of passengers carried, and net earnings applicable to fixed charges and dividends were ever in the ascendant.

## Most Popular Present Securities

**M**ANY investment bankers and investors themselves who now turn away when electric railways are mentioned, at that time did the same thing when gas and electric light and power securities were placed upon the counter. I am not saying that their judgment in many instances is not good, but I do say we must not let our fears get the better of our wisdom. An industry which is indispensable must succeed, and success is the foundation stone of our investments.

Gas and electric light and power securities, of all public utility securities, at present hold a commanding place in the investment public's eye. And rightly, for the service rendered by these two giants of the public utility family (water alone not counted) is perhaps the most necessary of all the service rendered by public utility companies.

Gas securities until 1905 perhaps were in the lead, because the gas industry was of greater age. It had been established as a necessary part of our daily life, and its management generally for the period of fifteen years prior to 1905 had been progressive, intelligent and ever ready to serve the people's needs.

Gas during those years became just as necessary for fuel as it had been necessary previously for light. Most of the gas companies had been prosperous and regular payers of interest and dividends on bonds and stocks, because of the demand for service and the fact that prices for labor and materials fluctuated little during the period, and also—and an important point—because the margin between the selling price and the cost of producing and marketing was commensurate with the service rendered.

The fact that gas securities have during the past twenty years of transition somewhat lost the lead to those issued by electric light and power companies does not in any way mean that they have been crowded off the boards.

While the lighting field of gas companies





Seattle, in 1884, was a small frontier settlement where the housewife cooked the meals over a wood fire and challenged the darkness of lonely nights with tallow candles. Today, thanks to the development of public utilities, the gas range and the electric light have replaced these primitive methods of housekeeping in the metropolis of the great Northwest.



HERE is a group of pictures which illustrate dramatically the miracle of the American city. It is a miracle of astounding growth, wrought largely through the development of our public utilities—transportation, electricity, gas and the telephone. The services which they render are now so universal and matter-of-course that at times we are unmindful of how essential they are in the modern scheme of economic life. The



Fifty years ago, New York could boast of no Flatiron building where Fifth Avenue meets Broadway at Twenty-third street; the subway, which now carries thousands of workers daily to and from this skyscraper, was not even a dream; and the telephone had yet to be introduced to save the shoe leather of dragging messengers and errand-running clerks.







Can you remember when the skyline of New York looked like this in 1876? It was not then the "Vertical City" of today, whose great growth is largely due to the rapid transit provided by subway, electric street cars and elevated lines, to the quick transaction of business made possible by the telephone and telegraph, and the interior illumination afforded by the electric light.



merchant who rides in a limousine, for example, unconsciously looks upon the street car as something that has passed out of his life because he is no longer dependent upon it for personal conveyance. Actually, it is far more vital to him and to his store than it is to those who use it daily, for it is the great common carrier which brings millions into the heart of the city to work and trade that business may go forward and prosper



Pennsylvania Avenue, at the close of the Civil War, was a towpath for the horses which dragged the street cars, omnibuses and other vehicles of public conveyance, and waited at dusk for the lamplighter to make his leisurely rounds. Now this historic thoroughfare of our national capital is served by electric street cars and gasoline-propelled busses, and flooded with light after sundown by the mere throwing of an electric switch.





has largely been taken over by the electric companies, their sales for other purposes—fuel for cooking and for the industries—have increased enormously. For example, sales of gas were:

in 1905.....	112,440,000,000 cubic feet
in 1915.....	204,309,000,000 cubic feet
in 1920.....	319,888,000,000 cubic feet
in 1923.....	370,000,000,000 cubic feet

This surely is proof of the stability of the business and an indication of its possibilities. In addition to all this the advancement of the business and the improvement in manufacturing methods have been more rapid in the past ten years than in any prior twenty-year period.

Since 1905 the growth of the electric light and power companies has been phenomenal. Not only has this growth been in the lighting field, but in the power and industrial field as well. The generation of electricity was

	Kilowatt hours
In 1902.....	2,507,000,000
In 1912.....	11,569,000,000
In 1917.....	29,650,000,000
In 1922.....	44,084,000,000
In 1923.....	51,498,000,000

an astounding record; and it is altogether likely that the record for the next ten years will be equally astounding, for those who know best say that the development of the industry has only just begun.

Generally speaking, the securities, wisely selected, of power and light companies are today safer for an investor's money than any other security except government bonds and bonds issued by states and municipalities.

In the first place, the development of the electric power and light business, of all the public utility business, was the last one in the field; and it has, therefore, had the opportunity of profiting by the mistakes of its older brothers. There has not been expansion into unprofitable fields, an unwise policy which caused embarrassment to many traction companies. Men have advanced the business at a tremendous pace by introducing improved methods of generation and transmission. Wasteful and destroying competition has not been so keen, because the people have come to understand that under governmental regulation it is unnecessary in order to procure lower rates.

### The Challenge to Socialism

**R**ATES of charge made for service by power and light companies have decreased in the last twenty years to a very marked extent notwithstanding tremendous increased costs of almost everything entering into the production and marketing of electric current. And last but not least, customer ownership has proved a bulwark against Socialism and a very helpful friend in many other ways.

Customer ownership means ownership of the securities of a company by its employees and the people using its service. The customer ownership movement was planned or started a few years ago by some of the power and light companies of California. They needed funds and had other problems, socialistic in their nature, to solve. So they started out to solve them by telling the people what the companies were, what they were doing, what they proposed to do, and ended up by offering them shares of stock in the companies' business.

The movement was successful, and enabled the companies to ward off and defeat the attacks of those who would pull them down. Along with good service, it made disgruntled customers happy; and it raised money, all

of which has been expended in the territory of those purchasing the securities, surely a pleasing thing to all concerned. One company—the Southern California Edison Company—has increased the number of its shareholders in this way in a few short years from 3,000 to over 63,000, a remarkable record of which anyone might well feel proud.

The example set by these California companies has been followed by most of the power and light companies of any size in the country, and generally with marked success. Most of the sales are made by employees of the companies, and such sales create a spirit of loyalty in the employee as well as making the customer acquainted with the company in a better, more understandable and direct way.

### Add Million New Stockholders

**T**HE electric light and power companies have sold during the past few years through this customer ownership movement more than \$500,000,000 of stock and at the same time increased their customer ownership stockholders by more than 1,500,000—surely a remarkable and interesting record. I do not know the total number of those owning stock or other securities of our public utility companies, but I do know that the number of stockholders because of this customer ownership movement is going to increase more rapidly in the future than in the past.

In 1924 it is estimated that stock sold in this way by electric light and power companies will amount to upwards of \$350,000,000, which means adding 1,000,000 new stockholders.

This is transition and something that is rapidly turning ownership by the few over to ownership by many. It kills the thought of Socialism and means that the people will direct and manage through individual ownership and not through government or municipal ownership—generally wasteful and inefficient.

The records show that the average holdings of stock under customer ownership are from three and one-half to four shares per person, and that while the companies selling stock in this way are not averse to selling large blocks to one individual, they prefer greater distribution in small amounts to lesser distribution in large amounts.

Customer ownership of stock, in addition to being of great advantage to the companies and their customers, is also of great advantage to the bondholder—the man who loans his money for a limited length of time at a fixed rate of return—for it builds up an equity behind his bonds that makes them strong and pleasing things for him to look upon.

The steam railroads of the country have distributed their stocks in the amount of \$7,250,000,000 to approximately 777,000 stockholders, which means an average of 93 shares per holder. These are imposing figures, but they can be made more imposing if the railroads will adopt the customer ownership plan and sell stock directly to their patrons. It is not beyond reason to think they can increase in this way and in the period of a few years the number of their shareholders to 3,000,000 and at the same time raise \$1,000,000,000 for construction and expansion purposes.

It would mean an average holding of only four or five shares of new stock per individual, it would increase the equity behind their bonds, and it would mean an army of interested stockholders fighting their battles and depositing their ballots on election day against principles and doctrines that would be detrimental to their welfare.

And now we come to super-power, about

which many misleading and mythical things have been said and written. Attempts have been made by some to show that the power and light companies of the country are banded together to put this thing across and form a trust to wring from the people dollars which they have earned by dint of hard labor and the sweat of their brow.

It has been said by others that super-power would so cheapen the cost of electricity as to cut in two the selling price of current. It has been said that super-power meant the building of all steam power houses in the future at the mouth of coal mines, with consequent savings in cost of production because of no freight rates to pay. It has been said that all of the water powers of the nation would be utilized with further lowering of production costs because of doing away with the necessity of using fuel.

All this makes wonderfully interesting reading; and it excites the imagination; but the cold hard facts are that super-power means simply interconnected power—the tying together of heretofore separately operated systems, so that when one is short or unable to supply demands made upon its facilities, it can call upon others who may have a surplus.

It is a pleasing picture and an alluring tale to have painted and written for us a story which leads us to hope for and expect much. It is not so pleasant, however, when we find out that what has been told us is not true; and it is wrong by exaggeration to excite the cupidity of those who do not know better.

Super-power may to some extent cheapen the cost of production, but against this cheapening of production cost must be set up the additional cost of long-distance transmission. It is all right to talk about building power houses at the mouth of the coal mines, but to produce power we must have water in tremendous quantities—and water is not always available at the mouth of coal mines. A large steam power house in a large city will use more water than the city itself. Water for condensing purposes is just as important as coal for fuel under the boilers. So is exploded one of the myths about super-power.

Again, while our fancy would harness all the water-power now running to waste, our common sense tells us it is impossible, for many of the water-powers are so far distant from the market in which we sell electricity as to make the cost of transmission prohibitive.

### Place for Sugar Bowl Savings

**T**HE truth about super-power—and it is only one phase in the development of the electrical industry—is, as I have already said, the joining of heretofore separately operated systems. This means perhaps some economies in cost, but to a greater extent it means continuity and reliable service rendered; it means conservation of our resources and the doing away in many instances with duplication of investment. It is another illustration of transition and progress. Let us hope that politics, and those seeking self-advancement, will not so surround and restrict its growth by unnecessary legislation as to make impossible the fulfillment of its premise.

One of the greatest evils of the day is tax-exempt securities, and the plague is increasing by leaps and bounds. In 1913 tax-exempt securities outstanding were estimated to equal \$4,850,000,000. By January 1, 1924, they amounted to \$12,309,000,000 according to estimates made by the Secretary of the Treasury.

This has meant, since the late war and the consequent high taxes upon large incomes, a running to cover of those who formerly pur-



chased taxable securities in large blocks. It has meant wasteful and extravagant expenditures by states and municipalities. It has driven those who otherwise would have invested their money in industrial enterprises and pursuits which would have employed a host of labor, to put their money into places where its return would not be taken away.

Out of it all, however, has come some good, for it has widened the security market and brought an army of small investors into the taxable security field—those with incomes not affected by high income surtaxes. Here again is transition, and once more ownership by many instead of ownership by few.

It is estimated that in this country between \$400,000,000 and \$500,000,000 in cash is tucked away in sugar bowls and stockings and kept out of circulation and investment. Only education can cure this, and customer ownership is one of the results of such education.

The wealth of this country is said at the present time to equal \$320,000,000,000, an enormous sum and accumulated largely in the short space of one hundred and forty years since we became a nation. This means an average annual increment or increase in wealth

of \$2,300,000,000—figures we can hardly comprehend.

Approximately \$40,000,000,000 or one-eighth of this tremendous sum, represents the value of our steam railroads and public utilities. This value is largely in the hands of the people through ownership of securities, for the people either directly and individually hold and own these securities or are indirectly interested in them because of ownership by savings banks, life insurance companies and trust depositories. In this country today there are upwards of 65,000,000 holders of life, accident and industrial insurance policies. The insurance companies issuing these policies own not only millions but billions of dollars of the securities of railroads and public utility companies. Should anything happen that would weaken or hurt these great servants of the people, it would also hurt the insurance companies and likewise the holders of their policies. Despite the truth of these statements, many policyholders, little realizing what they are doing, will vote for and approve economic and political questions that are inimical to their interests.

Happily here again we have transition, for

the insurance companies, the railroads and the public utilities are fast learning how to disseminate the truth and educate the people.

We are a great and wonderful people. Blessed by nature with an abundance of natural resources, we have wasted and destroyed. We have saved at the spigot and failed to stop the bung-hole. We cry out in alarm because our laws are not observed, and still we keep on passing them. We try to tax the rich, and then open wide the gates of avoidance. We have given suffrage to our women and half of them do not avail themselves of the privilege.

We find fault with our railroad service, forgetting that our transportation system is the greatest in all the world. We complain about our telephones and fail to remember that we have more telephones in one single city than in all the British Isles. We rail at those who grow rich and prosper, forgetting that it is hard work and industry—the desire to do and accomplish, the lure of the game—that has made them prosperous, not the mere desire to accumulate and acquire worldly possessions.

It is all transition and an indication of a thinking people desirous of doing the right when once they know the right.

# Teach Your Employees to Think

By CHANNING RICE DOOLEY

*Manager, Personnel and Training, Standard Oil Company (N. J.)*

**H**AVE you sufficient promising young men coming on in your business, capable of being your future leaders? If so, what are you doing to discover their special abilities and to develop them? The supply of executive material—of men possessing real native ability and sound character—is so small that mere chance cannot be depended upon to find them. When leaders are needed in the future, will they be there?

High executive posts require unusual combinations of personal qualities, experiences, temperaments and mental abilities. Many of these are native and may be detected in youth, others are the result of circumstances and must be planned for as youth grows up. Are you searching for native ability and character, and when finding it, are you training it for the complex leadership of the future?

Some of your best material is right in your own organization, but it has not been discovered, or else it is being held down to mediocre work. Other young men of promise are coming out of the schools each year; they are not all promising, but if you search, some will be found who are well worth training and further testing out as they grow up in your business.

In practically all large corporations one finds today some form of systematic plan for selecting and training young men as prospective junior executives. In some instances this takes on the form of specially selected groups placed under the leadership of trained instructors, and in others it is a simple plan of offering opportunities to all employees to show their ability and to broaden their knowledge of the business through some form of instruction.

Frequently it is the plan to do both—to give definite training and experience to a carefully selected group of young men in order to equip them for positions of junior executive responsibility, and also to throw open the opportunity for instruction in various phases of the company's business to the rank and file. The latter has a three-fold advantage:

First, the broadening influence is felt in the

increased interest taken in daily work; there is a better understanding between employees in different departments; more appreciation of each other's difficulties; more patience with each other's mistakes; better team work.

Second, it provides another means for discovering employees of special ability. Many a man may be absorbed and completely burdened with his routine work, which has become so systematized that he can scarcely make an impression other than by mere accuracy and faithfulness; whereas in a group, meeting for the purpose of studying some phase of the company's business, this man may stand out with original ideas, exhibiting a certain quality of leadership not heretofore seen.

Third, a broader view of the business helps employees to find their places of greatest interest, and thus makes for improved morale.

Such is the problem of providing a flow of human material from the bottom to the top of an organization, as it is recognized by chief executives, but the question may well be asked as to how this is received on the part of the employees.

## Employees Eager to Learn

**A**FTER twenty years' experience with training young men and women in industry the writer is thoroughly convinced that the driving force which impels young employees to give their time to systematic study is the sheer joy of acquiring knowledge. Of course they know that in the long run those who are best prepared will be advanced, but this idea is so axiomatic that it stays in the background.

Any educational program built largely around rewards in money or position is doomed to failure. After all it is the spirit of the institution which counts most, not only in the efficiency of the organization but in the efficiency of the individual.

This statement will hardly be believed by those who have not had experience, but there

is something deep in human nature that responds to intellectual stimulation for its own sake. As an illustration of this—the employees of the Standard Oil Company of New Jersey were given an opportunity recently to attend a series of weekly meetings running three months and dealing with the fundamentals of the company's business from oil producing to marketing.

Attendance was purely voluntary and no artificial stimulation was used, yet approximately one-third of the office force, about 400 men and women, enrolled; and of those enrolled over 90 per cent completed the series of meetings. More striking still—the majority of these did extra home preparation, answering test questions, doing outside reading, and otherwise making an unusual effort to get all they could out of this course. Those enrolled ranged all the way from office boys to department heads.

For the past four years opportunity has been offered to employees at two of the large refineries to study the technical phases of their work, and also to study the nature of the work in departments in which they were not employed, but which are closely related to their own work. Nearly 1,000 attended these classes last year, and during the entire four years there has not been a case of an employee demanding an immediate material reward for this extra work; this in face of the fact that these classes were held on the men's own time.

Another example of the response by employees to educational opportunities is the night school conducted by the Westinghouse Electric & Manufacturing Company at East Pittsburgh. Last year the attendance was approximately 2,000 and the majority of these men and women were pursuing a course in fundamental engineering principles, covering a period of four years and requiring an attendance of three nights a week three hours for nine months each year.

In addition to this there is a small charge to each student, notwithstanding the fact that the Westinghouse company and some adjoining companies and the public school districts



bear a considerable part of the expense. No material reward is held out in any sense, yet in the twenty-odd years this school has been in operation the question of specific reward for attending classes has never been raised and the school has grown continuously.

Everywhere evening classes are increasing in popularity. During the past winter in the three universities in New York City approximately 30,000 men and women were enrolled.

### See Beyond Pay Envelope

**T**HE habit of regarding employes with a certain amount of suspicion that they are more interested in what they get out of their jobs than in what they put into them; that they see nothing but the pay envelope; that their motives are entirely selfish, is but a reflection upon the management.

As a matter of fact the majority of employes—especially the younger ones—approach their industrial life with a great deal of optimism and fairness, and a genuine desire to win on their merits. Young men come out of schools and enter business very much as an athletic team enters a race, with little or no thought of playing favorites or petty politics. They are glad of the opportunity to learn the intricate details of the business and clear away its mysteries. After all, much of the mystery about business and industry is bunk, and keeping younger employes in ignorance of the simplest facts is simply poor management.

On the other hand, these facts are wonderfully interesting and stimulating when presented in a simple, logical way, and it has been the writer's experience that young men and women respond with genuine enthusiasm. Take for example the extremely technical subject of electrical engineering. While many electrical problems are complicated and deeply involved in profound theory, nevertheless the great majority of them are very simple and by no means as complex as they appear to the layman. Most of their

mystery is imaginary, and clearing it away by explaining fundamental principles is fascinating to the average young man.

There is another genuine stimulation which comes to employes and which management has been slow to appreciate—the advantage that comes with a full understanding of how one's own work fits in with that of men in other departments, and in relation to the business as a whole. There is no longer any doubt that the workman who has been accused of carelessly wasting both time and material will take great interest in studies and discussions of costs and economies from the management's point of view, if he is given an opportunity.

Some plant managers discuss with their superintendents and foremen and employe-representatives the business outlook at their monthly



est sustained. We are often asked as to where a young man should begin his business career—in the office or in the shop. While it is difficult to lay down any hard and fast rule, on the whole the fundamentals of a business can better be learned in some branch of its production or manufacturing departments. There are, of course, large opportunities in such branches

of office work as accounting—especially for young men of very special talent in this line—but even here a few years' field or shop experience is a splendid background.

In the sales department a young man, starting as a warehouse clerk or a sales clerk may generally expect promotion into actual selling, and from there into some degree of management of the selling end of the business, all this, of course, provided he is able, and also in proportion to the opportunities. But in both the selling and the accounting branches of many business organizations, men who have achieved considerable

success are lacking in fundamental knowledge of the basic elements of the business, because they have never been in the production or manufacturing branches. On the other hand, many businesses today are so complex and so large that it is impossible for any one man to get considerable experience in more than one or two branches.

### Shifting from Office to Shop

**O**NE of the most normal choices for a young man starting in business is between shop work and commercial work. If he has a mechanical bent and likes the production field or shop, not only should he start there because it offers a complete future for any man of ability, but because should circumstances later throw him into a high executive position, this experience will be invaluable. On the other hand, if he has a decided bent toward commercial work, the warehouse or a clerkship in a sales station is a good place to start.

At least it may be said that it is wiser to start in one of the outlying activities of a concern, either sales or manufacturing or production, than to start in one of the head executive offices, if one is ambitious to learn thoroughly some branch of the business; and of course always start at the bottom. Many young men rush to office work in the city because the hours are shorter, white collars last longer, and they think it carries a cer-



It is one of the axioms of American Business that there is always a place at the top of the ladder for the man at the bottom provided he is the right sort of man and eager to advance.

To make the climb much easier, many of our big corporations are now conducting training schools where the workers of the rank and file may fit themselves for those higher positions which ever seek executives of brains and ability to fill them.

meetings. The old idea of expecting employes to do only as they are told and not to think, is but another way of killing the goose that lays the golden egg.

An example of this may be cited. A group of 100 foremen at the Bayonne Refinery of the Standard Oil Company of New Jersey has been meeting once a week for the past three years for the purpose of studying their job of foremanship, about which they would naturally be supposed to know more than anyone else. They have been studying applied psychology from the very practical point of view, and many intricate problems of management which they heretofore have taken for granted or which they have been content with feeling belonged to the management and not to them. This is especially significant when one considers that many of these men are past middle life and are more used to "bossing" than learning, and yet their attendance has been almost perfect and their inter-





tain social prestige. Undoubtedly some young men can and will make a success from such a start, but many of them will find out sooner or later that they have started in at the wrong place.

Occasionally one finds office boys and junior clerks going from the city office to the shops and production fields after two or three years, because they have either seen that they would fit better in the production atmosphere, or that they need such experience to get them out of the rut of office routine.

Such a spirit among employees is an invaluable asset to any company, but it can only be preserved by full and complete recognition. The progress of each individual within an industry must be according to merit, and merit alone. There must be no more chance of a position of foreman being given to a man because of any connection with the general manager than the captaincy of an athletic team should go to the owner of the athletic field. The concern which does not follow this practice will surely deprive itself of its most able future leaders.

The chance for recognition may be one in a thousand, but upon that spark of hope hangs the highest grade of efficiency. Nothing is so discouraging as the hopelessness of recognition in the face of inherited or political advantages. Merit is of course not always easy to determine, even when an honest effort is made. In the last analysis one man's merit is largely another man's judgment. But men do not resent the frank, honest, judgment of their superiors so long as they know they've had a fair chance. Every day one hears criticism of favoritism, but over a long experience I have never heard an honest judgment condemned, even if disappointing.

The time has long since passed when any company can rely upon drawing its important executives, both minor and major, from other concerns. Of course this is done in isolated instances where men of special experience and ability have developed in a line of work

in which there are very few specially qualified men, or where there is felt a need for the infusion of new blood; but generally speaking there is a great lessening of scouting for men in other concerns and a very great increase in the policy of each concern developing its own executives.

For the development of these executives there are two sources of supply: First, groups of men specially selected from colleges and technical schools; second, the rank and file of young men and women who have come in directly from grammar and high schools. A great deal has been written on this subject in the past several years, but one thing stands out with tremendous force—namely, that the college man must start at the bottom, shoulder to shoulder with the rank and file, and prove his worth step by step.

### No Place for Favoritism

IT IS of course essential that he be not kept on purely manual routine work and utterly neglected to the point of complete discouragement, but it is equally true that anyone in the rank and file who manifests ability should be given opportunity to develop his talents. The college man, other things being equal, will develop fast and in some lines of work—such as engineering, chemistry, etc.—technical education is a prerequisite; but the fact must never be lost sight of that however complete his technical training may be, he must learn the business in its various aspects and he must learn the ways of men and how to function in an organization. Nothing can be more fatal than to let grow up a feeling through an organization that any special class is automatically given favor; even the best prepared technical graduates must win their progress, but the race must be fair.

In a general way the technical graduate is apt to give too little consideration to practical expedients and ignore peculiarities of human nature. On the other hand the man rising from the rank and file is apt to give

too little weight to the value of thorough technical understanding of the things which he knows so well how to do by rule of thumb. In order that each type of man may contribute most, he must be rounded out where he is weak.

The right kind of an educational program raises the standing of men in the eyes of their associates, which is a normal ambition of all men and a powerful factor in the matter of morale. Some persons may appear to be indifferent to education, but in the majority of cases it is because no one has taken the trouble to stimulate them and appeal to their mental reactions. They have been rewarded simply for faithful performance of routine duties. No one has ever asked them for an expression of opinion or judgment.

Any educational program must have a technical subject matter to make it applicable, but in the last analysis we are most concerned with the development of men; and this is a matter of spirit and ability to think, rather than merely of memory and performance. To offer an opportunity for all employees to learn about their business in a broad way while at the same time they are working at one phase of it, is to throw out the drag-net for some of the best leadership material—the same kind of material that came up through the ranks during the last generation, but which is apt to be lost today amid the greater complexity of business and industry.

But as urgent as is this need for leadership, it is of greater significance to the vitality of American industry to bring real satisfaction to the rank and file of employees through appeal to their intelligence and a chance to understand the business in a little broader sense than their immediate jobs. In addition this is the ladder of success for the ambitious. It is fortunate that the same program and policy at once accomplishes both ends, and the truth still remains that what is best for the employees as men and women is best for the company as an organization.

# How Can We Keep Our National Banks?

COMPTROLLER DAWES began by being a business man. Then he learned the insides of banking, and as a director he learned it first from the angle of the trust company and the state bank. When, therefore, he asserts that the national banking system is threatened with disintegration, he speaks with an understanding of the needs of business generally, as well as with an understanding of the interests of the state banker.

As national banks languish and die out, the Federal Reserve System must meet largely the same fate. Therein, the Comptroller holds, lies the primary interest of the business man in the situation. Every business man knows that the Federal Reserve System put an end to the old disastrous "money panics"; that it brought us safely through the chaos of a World War and the delirium of a boom period afterward and the doldrums of an industrial depression still later. It has given us an elastic credit and currency system, competent to take care of the merchant and the manufacturer when they need to be taken care of, and deserve it. Oh, yes, the Federal Reserve System is all right! The business man, having heard this many times and perhaps having said it a good many times, sighs wearily.

But then there are state banks and trust companies in the Federal Reserve. Why all

## An Authorized Interview with HENRY M. DAWES

*Comptroller of the Currency*

By SILAS BENT

this fuss about the national banks? What if they have got a grievance? What if the grievance is so serious as to put them out of business, or make them turn over into state banks. Why should Mr. Business Man worry?

These were some of the questions I put to the Comptroller. But I wanted to know also what the disadvantages were under which the national banks were laboring, and what evidence could be found that they were languishing.

"So far as individual national banks are concerned," he told me, "they are just as strong as ever. Their integrity and their financial stability is what it has always been, and no governmental agency has rendered a finer service to the country. The national banking system has been the model for all other American banking. It has established our high banking standards.

"But what is true as to the strength of individual national banks is not true of the

system. Our national banks as a whole have lost ground seriously in their control of the banking resources of the country. Since early in 1918, 173 national banks, each with a capital of more than \$100,000, have given up their national charters and taken out state charters. They have taken with them total assets of nearly two billions, which is about one-tenth of the total assets of the national banking system. This shows how alarmingly the system is being weakened, although units within the system remain as strong as ever.

"The truth is that the state banks are absorbing more than their normal proportion of the banking power of the country. If this thing goes on more and more national banks will convert into state banks, until the prestige and influence of the national banking system is destroyed. Before I tell you about the causes of the situation, let us look at what has happened in some of the large cities. Cleveland and Detroit have but three national banks each, although each is a city of more than a million population. New Orleans has but one. In New York City, Los Angeles and San Francisco, the situation is acute. In California forty-seven national banks have been absorbed into the state system within six years; in New York State, twenty-four; in Ohio, nineteen; in Pennsylvania, fifteen.

"That is the situation. Not long since I was talking it over with the president of a



big trust company, a trust company with more than 200 millions in deposits. He wasn't interested. He didn't pretend to be. His bank is a member of the Federal Reserve, and has all the advantages of its prestige.

"But you entered voluntarily," I said.

"Certainly," he replied.

"Suppose we make it optional for national banks," I suggested.

"And at that he went straight through the ceiling; because he knew as well as I that if national banks were not required by law to be the backbone and the core of the Federal Reserve System, the system itself would disintegrate. And as a good banker and a good business man he didn't want that to happen."

"The Federal Reserve System cannot continue to operate composed of two classes of banks in competition with each other, where one class has the advantage of liberal modern laws, and the other is handicapped at every point. The more favored class is bound to absorb the other. That is what is happening within the Federal Reserve. And without the national banks and their compulsory membership the Federal Reserve System will lose its one great element of strength. To deny that the system was organized on any other basis than the enforced cooperation of the national banks would be absurd."

### New Competition

THE Comptroller of the Currency is a mild-mannered man, who does not adorn his conversation with the picturesque expletives which have helped make his brother, the Republican vice-presidential candidate, famous; but he is too much in earnest about the national banking situation to require any assistance from profanity by way of emphasis. From his vantage point in the

Treasury he gets a wider view of banking and other business than most men. I asked him what the handicaps of the national banks were, that he took so serious a view of them.

"For half a century after the national system was formed," he told me, "the banks were strictly confined to commercial banking; and for thirty years of that time practically the only other form of banking was savings. There was no competition between the two. Our national banks were preeminent. Then there began to grow up state banks and trust companies, which not only did a commercial business but exercised trust powers, had savings departments, bought and sold investment securities and lent money on real estate, all

under a single charter. They were in direct competition with the national banks, but they were able to render much wider banking service.

"To offset the handicap in some measure, the Federal Reserve Act permitted the national banks to exercise trust powers, receive savings deposits and lend money to a limited extent on real estate. But by this time the state banks and trust companies had grown to such proportions as to endanger the primacy which for half a century the national banks had enjoyed.

"It was the original intention to exclude state banks and trust companies from the Federal Reserve System. If that had been maintained the national banks would have

respondents to enter the state banking system, and as we have seen, small state banks do not join the Federal Reserve. The tendency is for the small community to lose the obvious advantages of the Federal Reserve System.

"Now let us see what has been happening to state and national banks as regards growth in number and power. Sixty years ago there were but 817 state banks, exclusive of savings banks, and thirty-five trust companies, with aggregate resources of about three-quarters of a billion. There were 2,664 national banks, with aggregate resources of nearly two and a third billions. Now there are 18,000 state banks, exclusive of savings banks, and 1,600 trust companies, with aggregate resources of nearly twenty-four bil-

lions; while the increase last year in their resources was more than two billions, as against an increase for national banks of considerably less than a billion.

"Forty years ago the national banks had three-fourths of the banking power of this country. Now they have less than half.

### Laws Antiquated

"SUCH a change does not come about without good cause. The national banks are now operating under antiquated laws. The act under which they came into being has not been altered fundamentally. Their charters are still limited in time, although the life of the charter has been increased from twenty to ninety-nine years; but their competitors in many instances have perpetual charters, and so can undertake certain trusts denied to the national banks. Twenty-one states grant perpetual charters. There are no good reasons why the Federal Government should not do the same thing. No charter is perpetual in fact. It is conditioned on good be-

havior. But the main handicap of the national bank is that state banks engage in branch banking, while national banks cannot.

"I am opposed to branch banking. It is my belief that if the present trend in this direction goes on even for a brief period without restriction, the national banking system will be destroyed.

"Branch banking, whatever may be said in its behalf by those who engage in it and say they accomplish a lot of good by mobilization of funds and their transfer from one community to another, is un-American. It is necessarily controlled by a group in a single office. Those who are in charge of branches act merely as agents. They must act in ac-



Can we get him to play in his own back yard?

been able to hold their own. But under the pressure of war necessity the competing banks were permitted in 1917 to enter the system. They were not compelled to enter, as were the national banks. There are now about 8,200 national banks compulsorily in the system, and about 1,600 state banks as voluntary members. In the large cities we have both types; but in the smaller communities the member banks are almost exclusively national. The system must look to national banks to carry its resources to the smaller centers.

"When large city banks withdraw from the national banking system they usually remain members of the Federal Reserve System; but they strongly influence their country cor-



cordance with certain rigid rules. They can act for the benefit of their communities, and of individuals within their communities, only within those rules.

"Thus we may have a group in New York deciding whether the Elks in an Ohio town shall have money for a new building. We may have a group in Chicago deciding about the flow of funds from Dubuque to Sioux City. Such questions should not be decided by formula nor in accordance with merely selfish interest. The man who knows his customers and lives among them should decide, and is better fitted to decide than the big banker in another city, however well-qualified he may be technically. Under the Federal Reserve System we have our national banks acting as independent, local units, self-governing. Coordination and mobilization of funds is attained through the Federal Reserve banks. That is in accord with American institutions and traditions. Branch banking, with the power to decide vital questions vested in an absentee and non-resident individual or group, is not.

### Character Loans a Benefit

"UNDER branch banking what we call character loans are impossible. By that I mean loans to persons whose initiative and standing is such that they are entitled to credit. We owe a large part of the growth of this country to that kind of banking. Jim Hill, for example, did not have the kind of collateral at the beginning of his career which would pass muster at a branch bank."

At this point I interrupted the Comptroller to ask for an example of this sort of thing which had come under his own observation.

I happen to be an example myself. When my father died he left a good going business, but without capital. It was a lumber business, and I couldn't have borrowed money to keep it going if the bankers in our Ohio town hadn't known me personally and hadn't known my father before me. I couldn't have got it from a branch bank.

"The communities where the national banking system is losing ground most rapidly are the communities where branch banking flourishes.

"Branch banking is perhaps the most discussed and most controversial banking question since the establishment of the Federal Reserve System. It is my opinion that with the exception of a relatively small number of state banks that are engaged in this practice, the bankers of the United States are practically a unit against branch banking.

"I realize that the statement that branch banking is the most controversial issue before the bankers, and that the bankers are practically a unit against it, sounds paradoxical. The explanation is that the term branch banking has been applied indiscriminately to two forms of banking activity, because of a similarity in their superficial aspects, but which have really no fundamental characteristics in common.

"One form is what I prefer to term absentee banking, which develops through the establishment of a central institution in some metropolis and which gradually extends its activities by the acquisition of subsidiary institutions in other towns. This is the principal form of banking in Canada and Great Britain.

"It is possible that in such a country as England, which territorially is smaller than many of our states, and which possesses a homogeneous population, and where business conditions are thoroughly crystallized, this system may effectively serve the public. The monopolistic feature, however, cannot be ex-

plained away. England affords no parallel to American conditions.

"I think Canada does afford a parallel. I suggest that any American who is wavering as to the merits of the two systems should study the Canadian system before advocating it as a substitute for our own unit banking. In my opinion, and I think most bankers will agree with me, the results of branch banking in Canada are not comparable, either from the standpoint of safety or service, with the records of the American banks.

"Possibly I can put into a few words the elemental difference between our present system of unit banking and branch banking. No one understands banking who is not thoroughly imbued with the principle of the trustee relationship. The banker does not own the funds which he administers. He is merely the trustee. One class in a community has idle funds; another requires capital. The banker is merely the middleman.

"Is it right that this trustee should perhaps live a thousand miles from the property that he is administering, and have no personal acquaintance with the individuals whose money he is handling? His representatives on the ground must, in the nature of the case, have only limited discretion and hold to rigid and mechanical rules.

"If every borrower had good collateral and if the moral risk meant nothing, any competent banking mechanic located in any city in the world could supervise the banking of every other city. This is not the case, and yet the banking fraternity has, to my mind, not developed any supermen who are able, by the application of theoretical principles or the injection of inspiration, to administer the funds of a community in which they have no interest in a way that is compatible with safety or the public interest.

"The parallel between the representatives who operate branch banks and the local railroad agent, with his book of rules, is a very apt one. Successful business and credit are, in the last analysis, based on character. Neither an absentee nor a hired man can pass intelligently on this element, which is essential in almost every loan."

"But," I asked, "that doesn't prevent any bank from going beyond its own four walls?"

"No, I have been talking about 'absentee' banking, which has been confused with a form of local banking, to which it is similar only in its physical aspects. Due to changes in city development, brought about largely by the automobile, and congestion of central districts in certain of our cities, some of the states have permitted their banks to establish a number of offices outside of the central banking room.

### State Banks Have Advantage

"IN THESE cities the services of banker trustee are rendered by a resident, and the man in authority is only removed by a few minutes' trip from physical contact with his client, or is at his command by almost instantaneous communication over the telephone. The fact that some of the state banks could offer this form of convenience to their customers and the national banks could not, has militated against the national banks so much that, as I mentioned above, in two cities of over a million population each there are only three national banks left, and a large number of national banks have converted into state banks in other cities.

"It is my belief that if these opportunities strictly within the limits of a single municipality are not equalized between the national and state banks, the national banks will convert into state banks to such an extent as

to leave the system with only a semblance of its former prestige within a short time.

"A large proportion of the banks which would go out of the system would not continue in the Federal Reserve System, and those that did would be on a voluntary basis, and the System eventually would be reduced to a voluntary organization whose membership would be operating under the laws of forty-nine different states. It seems to me to be an unreasonable hope to expect such a loosely constructed organization to function effectively. It would have neither coherence nor discipline.

"The issue of saving the national banks involves the preservation of the fundamental principles of American finance as at present constituted. At last the bankers of the country have apparently come to an agreement, as the last convention of the American Bankers' Association has endorsed the provisions of legislation which runs very closely parallel to the bills introduced by Mr. McFadden in the House of Representatives and Senator Pepper in the Senate at the last session, and which are now pending.

### Provisions of Pending Bill

"THIS desirable unanimity of sentiment was, in my opinion, brought about not so much by arguments on fundamental principles, but by a final clearness of definition and an understanding of the elemental distinction between absentee banking and the improvement of local facilities. The terms of the bill, in a general way, provide against further extension within the system of any form of absentee or inter-city banking, and an equalization of the privileges within the limits of a single municipality as between national and state banks. This adjustment is essential to the salvation of the national banking system.

"There are innumerable handicaps under which the national banks are laboring in addition to the destructive competition of the branch banks. For instance, there is a definite expiration date for all national bank charters. This makes it extremely embarrassing for the banks when they are asked to handle trusts which run beyond the date of the charter expiration. It is proposed to do away with this and permit the banks to operate on the terms of their 'good behavior.'

"There are certain rigid provisions in the National Bank Act as regards real estate. The intent was to keep the banks' assets fluid. The result has been exactly the opposite, and the national banks have been prevented from taking care of the legitimate needs of their customers. They have had to put these real estate transactions in such form as not to be highly convertible. For example, the limit on city real estate is one year. A one-year mortgage on city real estate is not readily marketable. If they could take a five-year mortgage they would have a liquid, marketable security.

"At the present time national banks cannot operate with a capital of less than \$200,000 in cities of over 100,000 population. The bill would permit of the establishment of banks with a capital of \$100,000 in outlying districts whose position is comparable with that of banks operating in independent municipalities.

"The national banks are greatly handicapped in the proper financing of their safe deposit vaults. This would be relieved.

"Section 5200, which contains the limitation on loans to a single individual to 10 per cent of the capital stock of the bank, has certain exceptions enabling the banks to han-



die larger amounts for single customers based on staple marketable commodities. The provisions in the present law are more or less obsolete, and the changes will result in enabling the banks to care for their customers who are handling such commodities, for instance, as grain, lumber, cotton, etc., with greater safety and greater convenience. This is not only a relief to the national banks, but a benefit to general business.

"The facilities by which the national banks can handle bonds and securities of this nature have been clarified and somewhat enlarged

in such a way as to enable the national banks to care for their customers with somewhat the same facility that the state banks have now.

"Generally speaking, I think there is no provision in the contemplated legislation which is not conservative and which has not been thoroughly tested under varying conditions by the operation of institutions under state charters.

"I cannot see how we can reasonably expect the continuance of a national banking system, with all of its obvious advantages, if, instead of offering competent bankers incentives to enter it, we load them with handi-

caps and bind them by laws made to conform to conditions which no longer exist. The question of the passage of this banking legislation seems to me to be a matter of critical importance, and it means quite as much to the state banks as it does to the national banks, because it involves the preservation of the Federal Reserve System.

"It should not be forgotten that your national banker, as an individual, is not compelled to do his business under a national charter. It is a very simple matter to convert into a state institution."

## Who Will Get Muscle Shoals?

By W. DuB. BROOKINGS

*Manager, Natural Resources Production Department,  
Chamber of Commerce of the United States*

WHO WILL get Muscle Shoals?

The dam will be complete, and a water power second only to Niagara will be ready by the end of 1925, and still that question is unanswered.

Something will happen soon after Congress reconvenes on December 3, for, in the hurried closing days of the last session, the Senate passed this resolution:

That on the calendar day of December 3, 1924—Which is Wednesday—

at 2 o'clock P. M. H. R. 518—

Known as the Muscle Shoals Bill—

as reported by the committee, shall be taken up by the Senate for consideration, and not laid aside until finally disposed of, and that this order shall not be set aside except by unanimous consent.

"H. R. 518," to give the Muscle Shoals Bill its correct name, isn't what the House passed, by any means. It's rather what the Senate Committee on Agriculture and Forestry, Norris of Nebraska, chairman, thought the House ought to have passed.

The House passed a bill to let Henry Ford have Muscle Shoals. The Norris committee took the House bill and performed a major operation. They amputated, in effect, about everything below the ears. They left the enacting clause, and for Mr. Ford's proposal substituted Mr. Norris's own measure, which is 100 per cent government ownership and operation. Under the Norris plan Mr. Ford has the same interest in Muscle Shoals as John Smith, of Central City, except that Mr. Ford pays more taxes than Mr. Smith, and is to that extent a larger shareholder in the United States.

As to what will happen when the Senate gets the Norris Muscle Shoals bill on December 3, A has the same right to guess as B. But there will be written another chapter in the brief but lively history of that tremendous project.

Begun under the National Defense Act of 1916 for the purpose of manufacturing nitrates for use in munitions, this project has brought to the front the whole question of government relation to power projects. The engineering problems of Muscle Shoals, including a pile of concrete constituting the greatest dam in the world, are simple compared to the questions which have grown out of this vast project concerning governmental and industrial policies. There are many who believe that the road of national water power policy forks at Muscle Shoals and that the Government must soon choose which road it will follow—one leading to government ownership; another to a policy of special individual privilege, the Henry Ford group; and still another to the application of the principles of the Federal Water Power Act.

There is also a fourth group, who favor

the proposal President Coolidge made in his first message to Congress: that before legislative action the whole subject be referred to a joint committee of Congress for further consideration of offers, negotiation and recommendations.

Muscle Shoals started on its legislative career with every prospect of being legislated upon as a unique project. But with the passing of time the principles embodied in the Water Power Act of 1920 have taken on increased importance in all discussions as to what should be done with this great project, and this question is asked: Why not apply the same principles to Muscle Shoals that are now applied to other power projects involving water power belonging to the Government?

The Water Power Act crystallized principles formulated years before by President Roosevelt. He vetoed bills providing for the granting in perpetuity of water power rights in streams controlled by the Government; and although Congress passed these bills over his vetoes, the general principles he set forth as fundamental to a national water power policy were finally enacted in the law of 1920.

### Our Wartime Nitrate Problem

THEY provide for a contract for a term of 50 years; right of Government to recapture the properties at end of period at net investment; opportunity for release by lessee (all things being equal) at end of term; no tolls as profit to Government on use of the water; charges for use of water to be for actual reimbursement to Government for expenditures; regulation by Government of the use and rates of water power; permits to be issued by a commission and to be in the general public interest. This commission is made up of the Secretaries of War, Agriculture and the Interior.

Under this law twenty-one and one-half million horsepower has been applied for, and three millions have been actually installed or under construction—the actual amount constructed during this period being greater than in the preceding twenty years, when development was held up by the uncertainties of legislation.

For many years Muscle Shoals had been talked of in power circles as a prospect for water power second only to Niagara Falls. The impetus of the war was necessary, however, to make the vision take definite shape.

The world makes war with nitrogen, for nitrogen is the basis of high explosives. For years this country had gone to Chile for

its nitrogen in the shape of nitrate of soda. The mines of Chile are the most extensive and have the cheapest operating costs in the world. Water transportation to the United States is cheap.

Europe had gone further than we in getting nitrogen from the air by fixation, and Germany depended on this process very largely.

The United States had no sooner entered the war than there was brought home vividly our dependence on Chile. At one time we had 128 vessels in this transport. On top of this a submarine scare in the Pacific completely shut off this supply for a time. This intolerable situation launched the United States upon a project of fixing nitrogen from the air with the power at Muscle Shoals, for the process requires enormous quantities of power. The National Defense Act of 1916 had made an appropriation and authorized the building of such plants for the fixation of nitrogen, the location of the plants being left to the President. Under this authority President Wilson began work at Muscle Shoals in 1918.

With the end of the war, interest lagged. Then came the industrial depression of 1921, and with the exhaustion of the appropriation, work on the project was suspended. "What to do with Muscle Shoals?" became a bothersome question. The chief of engineers sought to learn who in the United States would be willing to take over the project. Satisfactory replies were not forthcoming, and prospects were discouraging.

Under these conditions Henry Ford came forward with an offer to purchase the property and conduct it along the lines set forth in the proposal which passed the last House. This offer from Mr. Ford, coming at a time when no one else appeared willing to help out the Government, created a sentiment favorable to Mr. Ford's proposition, which continues to this day. It made him seemingly a benefactor, not to a group, but to the nation.

The immediate effect, also, of Mr. Ford's offer was to stimulate interest in the project. Congress renewed the appropriation for continuing construction, and as time has gone on there has been a flood of light through discussion thrown on the whole project.

If Muscle Shoals were entirely a project to make nitrate for munitions of war as a phase of national defense, and if the amount of power available were of no great importance, it is not likely that the questions of national policy involved would be a major issue before Congress. But our food supply depends largely on nitrogen for the manufacture of fertilizer, and we are just as dependent on Chile for cheap nitrates in time of peace as we were in time of war. The National Defense Act provided that Muscle Shoals should be developed to make nitrates for munitions of war and also for fertilizer.

Also, over and above the amount of power



necessary for the fixation of nitrates, there is bound to be a surplus available for use in many other forms of industry. And on the proper use of this power comes in the question of turning it over to an individual or keeping it under complete government control and operation or permitting its use under the provisions of the Water Power Act.

The Ford proposal as approved by the House provides for a lease of the power for one hundred years, free from any government regulation as to price or use of the power. There is provision for the manufacture of a minimum of 40,000 tons of nitrate per year, but the opponents of Mr. Ford argue that this is conditioned upon ability to dispose of the product at a profit; and that there is no assurance that if he cannot meet the competition of Chile, or if for any reason he cannot sell at a profit, he will produce nitrates for fertilizer.

Debates in the House of Representatives were intense. There were plenty who had faith in Mr. Ford's ability to carry out the project and in his motives. Others prophesied that great scandal would result from turning over to an individual, free from regulation, a natural resource of such magnitude belonging to the public. The result of the vote in the House, 227 in favor of the Ford bill, with 142 opposed, showed a stronger opposition to the Ford proposal than many had anticipated.

A rough analysis of the line-up seemed to indicate strong opposition to parting with such a resource to any individual, on the ground that it is not in accordance with the American principle of equal privilege.

The vote also showed that the farm group of the West was sceptical of the value that would come from the proposal to manufacture fertilizer, both because of the high freight rates to their regions and of the likelihood of inability to compete with fertilizers from Chile. The principal support for the mea-

sure came from the South, where there would be a prospect of benefits to nearby farm areas, and where it was felt the industrial activity which Mr. Ford would develop would prove a boon to the entire South. Real estate within 75 miles of the Muscle Shoals project has already been feverishly boomed.

When the House bill reached the Senate, it was referred to the Norris committee. Here the government-ownership group had their inning. What happened has been described. If—and the if is a large one—the Senate should endorse Mr. Norris's view, two utterly unlike bills would go to a conference committee of both Houses, which would try to evolve something to go back to the Senate and the House. The two measures are so contradictory that it is difficult to see a possible compromise.

### Favors Government Control

IT IS felt by some that the action of the committee in reporting out the bill of its chairman may be in large part complimentary to its chairman, Senator Norris, of Nebraska. For years he has been an advocate of the theory of government ownership of the nation's water power. He is the father of another bill still in committee, providing for government ownership and operation of all unappropriated water powers of the United States from the Pacific to the Atlantic.

Senator Norris's Muscle Shoals bill, scheduled for Senate action December 3, would be a move in the direction of his greater project. Surplus water power, after using what is necessary for fertilizer, would be disposed of by the Government, which is authorized to enter into the business of distribution. The Government is also authorized to build an auxiliary steam plant; and from operation of steam plants with coal as fuel, to the owning and operating of coal mines, is an easy step. The present government bu-

reau, known as the Fixed Nitrogen Research Laboratory, under the direction of the Secretary of Agriculture, would have a free hand to engage in the manufacture of nitrates. A little further and the Government would go from the manufacture of nitrates to fertilizer, and at once the Government would be in the field of competition with private enterprise. For these reasons the measure is opposed by those who wish to keep government out of industry.

There remain to be mentioned that large group who take the stand that the principles of the Water Power Act can and should be applied to the use of the water power at Muscle Shoals; and that the purposes of the best utilization of the power and the manufacture of nitrates are not inconsistent with the application of the principles of the Water Power Act. They believe, also, that an arrangement can be perfected which will keep the Government out of the business of making nitrates or fertilizers, and that it can be done by private enterprise. Different proposals embodying all or part of these objectives have been submitted to Congress, but none of them has yet reached the floor.

President Coolidge's suggestion is receiving attention. In his first address to Congress, in December, 1923, he referred to the complex nature of the Muscle Shoals project and recommended the appointment by Congress of a small joint committee to study the various offers, conduct negotiations and bring in its recommendations. No action has been taken on the President's proposal, but interest is increasing in it. A committee appointed by the American Engineering Council at the special request of Senator Norris to investigate and make recommendations as to the Muscle Shoals project gave it as their opinion that the recommendation of President Coolidge should be adopted. The American Chemical Society has also gone on record to the same effect.



OFFICIAL PHOTOGRAPH BY U. S. ARMY AIR SERVICE

An aerial view of the Wilson Dam at Muscle Shoals on which 5,000 men are now working to the end that the job may be finished late next year. The Wilson Dam consists of three parts, powerhouse, spillway and lock, and measures 4,500

feet from bank to bank of the Tennessee River. Its estimated cost totals \$51,000,000, and in the amount of masonry used—1,250,000 cubic yards—it is the biggest project of its kind in the world, eclipsing the Aswan Dam of Egypt.



# The Mobility of American Business

By ALFRED PEARCE DENNIS

*Special European Representative, U. S. Department of Commerce*



"The North European has no liking for corn. So the Iowa farmer, being on the job, transforms his corn into hogs, and further concentrates it by rendering the fat of the hog into refined lard. In this mobile form he delivers his corn to the overseas purchaser"

SOME modern seer should write a book on the metaphysics of American business.

The things that seem real to us are the things which are reflected on the retina of the eye, the things which we can touch, taste and handle. These are the real, the intelligible things in a universe of change and mystery. But back of the watch is the watchmaker, and the image of the statue was in the brain of the artist before his chisel released it from a block of marble. Invisible things lie back of the visible and determine their existence. Back of the physical lies the metaphysical.

Business we see and know on its material side. But what lies back of it all? Thought about things is as natural as breathing. Thought about thought requires effort, mental discipline, intellectual grasp. It seems like trifling to say that the things which are seen are temporal—the everlasting hills, water flowing in a thousand streams, pyramids of hewn stone, cities built upon a rock—these things seem so real, so obvious, so enduring. Yet the human mind, capable of spinning the gossamers no less than forging the anchors of thought, creates out of stuff as unreal as the troubled dreams of a sleeper that which will outlive the cloud-capped towers, the gorgeous palaces.

Not marble nor the gilded monuments  
Of princes shall outlive this powerful rhyme.

Here I am existing in a world of time and space. This is my house, this is my automobile, these are my books, these are my lands. What are they for? They are for me, to minister to my pleasure, comfort, enjoyment. But what am I for? Here we are up against the metaphysics of the individual, or in terms of popular slang, my "excuse for living." So in the metaphysics of business—what is the meaning of it all? What is it all for? What are the invisible propulsive forces which lie back of its forward movement?

Probably no two men would give the same answer to the question, but most men would say that business derives out of the instinct of cupidity just as art derives out of the instinct for beauty. If that is true how account for the fact that some men are in business who have more money than they know what to do with. Others, such as the electrical genius, Steinmetz, contribute millions to the wealth of the world, but them-

selves live frugally and die poor. Steinmetz was first of all an artist. Is it not nearer the truth to say that our great businesses have developed in response to the restless craving and insatiable aspirations of our complex western civilization?

## Conquering Time and Distance

THE Germans have an overworked word, "zeitgeist," for which "time spirit" is about the closest translation. American business, in its development, accurately reflects the time spirit. Nicknames, though inadequate, generally convey a hint as to some salient quality. The Golden Age suggests the fabled human contentment of primitive society; the Bronze Age suggests a cultural stage in which weapons and household utensils were fashioned of bronze; the Iron Age emphasizes the appropriation of iron for making tools; the ironic Gilded Age suggests the shams, shows and extravagances of modern society. The

Age of Mobility is a convenient term to apply to our present era of swift movement, bewildering change, human endeavor volatile as the ether, illusive as quicksilver, protean in form, civilization on wheels.

American business today is dominated by the mobility complex. In its essence, the struggle for mobility is the age-long struggle to conquer time and distance. The awful brevity of life and the yearning to get the most out of it; the reaction against the dullness of isolation, expressing itself in quick communication by land, sea and air. What Homer calls "the dear love of comrades" knitting our peoples together, triumphing over the old era of dispersion and loneliness. Sparse populations in a great land, the trackless wilderness, the Ishmaelish early agricultural societies, each man struggling for himself, no associational effort, no common amusements, no group consciousness.

Let us take a mile post or two to show how fast we travel. The writer, brought up on a southern plantation seven miles from a railroad or postoffice, still vividly recalls the amount of time and labor put into getting "supper," a three-hour job for half a dozen negro servants. Wood to split which had been cut from a distant forest and laboriously hauled to the wood pile, water to be "toted" from a well in the far corner of the yard, a kitchen chimney big enough to roast an ox in, a fire laboriously coaxed into a roaring furnace, of which 99 per cent of the heat went up the chimney and perhaps one-thousandth part of the caloric content was applied to practical cookery. No reservoirs of accumulated human effort to draw upon. Slender materials for improvisation and these materials limited almost entirely to the narrow bourne of the plantation itself. If unexpected guests perchance drove up in the morning a semi-panic ensued as terrifying as a run on a bank. Chickens had to be incontinently "run down" and slaughtered; Grass which today is and tomorrow is cast into the oven. Amusement as individualistic and tribal as those of a primitive savage—hunting, fishing, horseback riding. Social diversions still in the ecclesiastical epoch, with



the church providing the only object to which the poor tentacles of the social self may cling.

On rousing to consciousness from an anesthetic the patient asks dully "Where am I? How long have I been asleep?" These fundamental questions of human speculation have to do with time and space. The writer, after going to and fro in the world for many years, is at this moment looking out of the window of an office on the ninth floor of the U. S. Department of Commerce Building. The eye sweeps the western segment of the city of Washington. The three most salient objects that impinge upon the retina are, first, an exquisite white marble memorial to Abraham Lincoln, a Greek temple reared on the banks of the Potomac; second, the lofty steel masts of the Naval Radio Station across the river at Arlington; third, two huge tanks containing some millions of cubic feet of stinking coal gas.

These three objects have a metaphysics all their own. The Greek temple symbolizes love of country, love of beauty and the debt we owe the past. There is absolutely nothing new about the sentiment which lies back of the structure itself. Architecturally the thing is Greek. Neither in patriotism, nor love of beauty nor in the power of expressing this love in carved stone have we made any advance over men who lived 2,000 years ago. There is absolutely nothing American about the Lincoln Memorial except the name.

### Shortcuts, the Modern Urge

THE RADIO masts stand over on the heights. Ontology seeks to furnish us with an explanation of being—why things are. The ontology of the radio masts? A modern Italian saw them there before we did, just as Gutzon Borglum, the sculptor, sees the image of marching troops on the bald face of Stone Mountain. On the practical side the towers have risen in response to a spirit that is preponderantly American. Our impatience with distance, our fight against time—all symbolized in the rising towers flashing intelligence across the seas and continents.

So, too, of the gas tanks, alien in conception, but quintessentially American in the adaptation of the old to the new. There was a time when the gas tank was a novelty. As the kerosene lamp displaced the tallow candle, so illuminating gas made its inroads upon the oil lamp. Then came the electric light and the impending scrapping of the gas tank. Time the destroyer, old age and death creeping on, the doom of the gas tank.

But in business something may happen that can never come to the individual, the restoration of lost youth, the conquest of time and space. Our onrushing world of business demanding shortcuts as regards time, abbreviation as regards space—mobility. The gas tank answers to the craving for both. A new

weapon for conquering time and space. The transformation of trainloads of heavy, bulky coal into a light volatile gas, that volatile gas cunningly distributed as fuel through myriads of underground pipes—mobilization, concentration, distribution from a central pool—coal thus rising above the mobility of a fluid attaining that of an invisible gas, all answering to the demands of a highly keyed, intensely occupied civilization demanding in its work release from the tedious, time-consuming, humdrum occupations of an earlier age.

At the appointed time the day's work ends and tens of thousands of women clerks emerge from the great government office buildings. The day's work done, there is the evening meal to be improvised in a home which also answers to the demand for a conquest of time and space. The modern apartment—bedroom, kitchenette and bath. A turn of the gas range valve and the fire is ready. Foods in concentrated form, butter, bacon at hand, canned vegetables and fruits, ice in the refrigerator, everything to lighten work, to make housekeeping an incident rather than the chief absorption of the day's business.

So as the gas tank, so the refrigerator car, a defiance to time and seasons. Fresh semi-tropical fruits on northern tables almost before the buds begin to swell in the spring. Chesapeake Bay crabs and Cape Cod lobsters landed live and crawling on the Pacific Coast. All these stand in symbolic relation to our age of mobility. Reserves of concentrated, portable energy out of which we may draw.

We take the energy of cold water plunging down through dark pipes and load the power of ten thousand horses on slender wires, carry this power hundreds of miles and distribute it as either heat, light or dynamic energy. Such is the delicacy in distribution that the mighty power of Niagara may be made to drill a defective tooth in a dentist's office 500 miles away. So it is we not only apply new-found power to movement, but we have learned to move power over a wire and to transmit thought without a wire through the ether. The ability to generate

power at one point and distribute it at a thousand remote points is working a silent revolution in our processes of industrial production. From the standpoint of trade we are applying to energy the principles which enable the wholesaler to sell cheaper than the retailer. All this tends to sharpen our competitive ability in the markets of the world.

How is all this done? Well, one of the secrets we have learned in attaining mobility in business is no secret at all when we stop to think about it. It is the device of transformation. The essence of commerce is movement, the problem of distribution is the problem of the free movement at a minimum expenditure of time and money. We have learned that the best way to attain this end is through transformation. Butter is essentially an animal product. The cow is a transforming station as between coarse vegetable stuffs and highly concentrated animal products. Modern science is seeking to cut out the cow and go directly to the vegetable kingdom for animal foods. Margarine made of vegetable oil sells for about half the price of genuine butter, which it counterfeits, and answers after a fashion the human craving for animal fat.

Some day, in much the same way, we may cut out the furnace and boiler and get power direct from coal at the mines.

### The Romance of Exchange

AN IMMENSE stride was taken in the movement of goods through the invention of money. Money is a medium of exchange just as a freight car is a medium for the movement of goods from one place to another. Primitive man, in his ignorance of the function of money, swapped goods with his neighbor and actually delivered an extra sheep or ox over to the hand of his customer in order to balance his transaction.

There is the movement of money itself, tangible, intrinsic values, such as silver and gold. The Jews of the Middle Ages, persecuted largely because of their wealth, learned to make wealth invisible and to give it mobility by inventing bills of exchange. Wealth, which represents accumulated goods or the fruits of human labor, may be transmitted thousands of miles by the passage of a scrap of paper through the mails or flashed under the ocean by cable order. Our banking system is a response to the human demand for assistance in creating wealth and also for the quick transfer of wealth through paper symbols which we call checks or drafts.

The Iowa farmer finds his home market glutted with corn, but there is a food shortage in northern Europe. Corn is bulky. It costs money to get a carload of corn from the farmer's bins to the station, overland to the sea and overseas to the European customer. Besides the north European has no liking for corn. The Iowa farmer, being onto



"Western life runs on high gear"



"Time is nothing to the oriental"



his job, transforms his corn into hogs. He further concentrates it by rendering the fat of the hog into refined lard. In this concentrated or mobile form he delivers his corn to the overseas purchaser.

No purely agricultural country ever became rich and prosperous until it learned the science of conferring mobility upon farm products. The Nile Valley from antique times was given over to the raising of perishable stuffs—jeeks, onions, water buffaloes. The wealth of the country remained stationary, with a population in the nineteenth century perhaps no greater than in the days of the Pharaohs. Egyptian agriculture attained mobility through cotton. Thus the labor of an entire family for a season was transformed into a bale of cotton, capable of being loaded on ships and transported to the far ends of the earth. Agriculture, thus having attained mobility, poured wealth into the country and two human beings were able to live in the Nile Valley where only one was able to exist before.

Denmark as an agricultural country may be visualized as a great transforming station, as an agricultural laboratory in which coarse, cheap farm products are distilled into fine concentrated foods, transformations which thus confer upon the fruits of the soil the quality of mobility. Coarse American corn, cheap Russian barley, hay from the desolate moors of Jutland, are fed to cattle, and transformed into concentrates such as milk, butter, cheese. Skimmed milk, fed in turn to hogs, reappears in more concentrated form as bacon on London breakfast tables. The prosperity of the country depends upon transformation and mobility.

We transform goods just as we transform energy. We give goods portability, mobility. We apply to the distribution of goods the same principles as in distributing energy.

The world of fact as revealed by human science is more vivid than the world of thought as set down on paper. The sea is the mightiest instrument in the civilization of mankind. The art of general money-making is a very modern idea. Ancient trades were individual and particular. They were a mystery to the outsider who held them in contempt. To fight for the king, to enter the church, these were the honorable businesses of life. Trade itself was considered mean, sordid, tedious. Beyond the narrow bounds of the village mart trade was difficult and afraid. There were pirates and highwaymen and even among the cultured Romans the word that meant foreigner also meant enemy. To the difficulty of transporting goods was added the difficulty of transferring capital. In early society cattle were the media of exchange just as tobacco was accepted as common currency by the hardy colonists who settled in Maryland and Virginia. Where a man once had to balance business transactions in cows or tobacco he may now do it forthwith by sending a piece of paper through the mails or by flashing a cash settlement across continents and oceans by wire.

Mobility, swiftness of transport, have come to be the indices of western industrial civilization. The more complex life becomes the more intense its dissatisfactions. Occidental civilization becomes impatient with time and distance. Time is nothing to the oriental. Time grows more precious just as manners grow steadily worse as we travel from east to west.

Occidentals haven't the leisure for ceremonial politeness. Business requires short cuts. American advertisers are now clipping a letter or two from ancient and honorable words that have come down from the Greeks and ancient Britons. Western life

runs on high gear. It demands swiftness of communication to which the answer is the telegraph, telephone, swiftly darting airplanes and Twentieth Century trains. The lethargic ox yielded to the faster stepping horse on our highways and the horse in turn to the swift motor car. Rapid individual transportation for the millions. The protagonist in the epic, having become the richest man in the world, is hourly growing richer. His name is like to outlive that of Julius Caesar. All of which gives some little point to Ruskin's bitter epigram on the purposes of civilized man: "Whatever we have—to get more. Wherever we are—to go somewhere else."

Humanity pushing, stumbling, trampling forward—life fermenting, boiling over, coursing through new channels. The pulse of western civilization beats high, rivalries are keener, the pace quicker. We work fast and travel faster and it is as difficult to establish equilibrium as it is to deal with quicksilver. The successful peoples have moved westward. The successful westerners are the only peoples who have ever been able to think internationally in terms of both business and philanthropy. An earthquake occurs in Japan. The first idea is one of succor and help, the dominant impulse is philanthropic, but commercial questions crowd on the heels of philanthropy. Can the ships sail? Will the banks open? Has the warehoused silk been destroyed? How much American lumber, structural steel and copper will be needed for reconstruction?

Mobility breaks down old creeds, destroys exclusiveness. The mobility of the modern American, whether in moving himself, his goods, or the instrumentalities for their production, is protean, astounding. It is the salient characteristic of our business today, the clue to American business that is yet to be.

## Filene's Idea, Will It Come, and When?

Discussed by Jesse Isidor Straus, Bruce Barton, Lew Hahn, W. C. D'Arcy, H. M. Henderson, Dalton F. Schwartz and R. K. Leavitt

**R**ARELY has THE NATION'S BUSINESS printed an article which has aroused as much interest as did E. A. Filene's "Mass Buying and Mass Selling, Too" in the September number. As president of William Filene's Sons Company, of Boston, Mr. Filene can write authoritatively on any subject that touches retail merchandising.

Mr. Filene predicted great combinations of department stores which, by concentrating their purchasing powers, would be able to buy and to sell more cheaply. To the manufacturer he held out a promise of a steadier market for his goods, to the consumer, a prospect of lower prices backed by the guarantee of a great retailing organization. But to the makers of nationally adver-

tised brands, he was less optimistic. To them he said in effect:

Watch your step. Against such a combination of buying power as I suggest, you cannot hope to keep prices at any artificial level by the creation of a wide "consumer demand." The advertised goods must meet the unadvertised goods.

The comment caused by the Filene article has been wide and varied. Some have agreed; some have criticised. Advertising men have approved and have found fault. Manufacturers have said that Mr. Filene would bring them under the thumb of the retailer. Retailers have said that the writer was only seeing visions. But all were aroused. Here, then, is a selection of comment from men of various callings:

### Can't Kill the Small Merchant

**M**R. FILENE'S article deals with many sides of a subject which I know is engaging much attention within the department store field, and he has thought out and reduced to logical conclusions ideas which interest us all.

Personally, it has been my opinion for some time that we are entering upon an era of tremendous consolidations in the department store field, so that in general I am substantially in agreement with Mr. Filene's article.

I think without a doubt that the processes of amalgamating great department stores will

proceed pretty steadily over a period of years, and I believe that these consolidations are going to prove successful wherever the necessary good management can be provided.

If there is a weakness in Mr. Filene's article, it is that it is premised upon a well-nigh perfect type of management. This faith does credit to Mr. Filene and to our craft, but the actual problem of building the kind of management which can successfully operate a far-reaching chain of huge department stores will prove a difficult problem. Things will not work out smoothly for the department store chain.

In this country we have for many years carried an almost blind confidence in the

ability of big business to provide economical management and reduced operating costs. In this light it is interesting to study the address made by Professor Copeland, Director of the Bureau of Business Research of the Graduate School of Business Administration of Harvard University before the Controllers' Congress of the National Retail Dry Goods Association in convention in St. Louis on June 16-18. Professor Copeland based his remarks upon careful studies that have been made over a period of years in the department store field as well as in the retail shoe trade, retail grocery trade and the wholesale grocery business. He produced figures to show that in these lines the percentage of



operating cost to volume increased with volume.

These figures Professor Copeland reinforced with a statement to the effect that an investigation of the cost of operating in the banking field has shown what appears to be a similar condition among the bankers.

Of course, this does not mean that the smaller business can undersell the larger, because the larger outlet for merchandise can frequently buy to better advantage and can actually undersell smaller competitors even while suffering the handicap of a higher overhead percentage. But, Professor Copeland's address is interesting, especially in the light of the growing disposition to make department store operation a still larger enterprise.

It would be interesting if *THE NATION'S BUSINESS* could secure another article from someone familiar with the situation, discussing the possible effects of department store chains upon smaller individually operated stores.

Personally, I feel the greatest confidence that no matter how large department store chains may become, and no matter how successful and effective the management that will be developed, the smaller merchant, operating as an individual, will never lose his field. In the retail business we have psychological conditions. We have the human element on both sides of the counter; and the smaller merchant who is personally on the ground in his store, meeting his trade, extending his personal influence directly to his employees, in my judgment will always be successful so long as he keeps up-to-date, knows his merchandise and his trade, and operates with a decent degree of conservatism to build the good-will of his business, and above all things to give his personal touch to his store operations, which retail merchandising requires perhaps more than any one thing.

LEW HAHN,

Managing Director, National Retail Dry Goods Association.

### Plan Would Disrupt Production

I AM READY to give three prolonged cheers for Mr. Filene's basic assumption that it is the duty of everyone connected with any phase of distribution to reduce the spread between production cost and the cost to the consumer. As one of the staff of a manufacturer engaged in selling superior quality, trademarked goods, largely to department stores, I heartily applaud Mr. Filene's prediction that mass buying will put advertised brands to the "service test" and that such brands will succeed in so far as they are actually better than unadvertised. But as a private citizen, and pretending to reflect the attitude neither of my profession nor of my firm, I take the liberty of disagreeing with one or two of Mr. Filene's conclusions.

In the first place I do not think Mr. Filene gives himself and the millions of others engaged in the various processes of distribution the credit to which their efforts of the last few decades entitle them. For to them, equally with the manufacturer, belongs the credit for making life easier for you and me and John Doe. The cost of food, shelter, clothing and conveniences, if judged not in terms of dollars but of effort, is lower today than during the last quarter of the last century.

The mill operative works less hours per day now than he did in the eighties, he gets better food, and he has a motorcycle. The carpenter and machinist are similarly better rewarded for less hours of toil and have Fords. The office clerk spends Saturday afternoons, when his father would have been toiling, on the municipal golf links. The executive spends all

except Saturday afternoons on the only slightly less crowded links of his own club. We are all of us getting a good deal more now than we were forty years ago, for less sweat, fret and worry.

Why? Because, say we, and I assume Mr. Filene will agree with us, mass production, which brings necessities, conveniences and even luxuries within the reach of everybody, has to a very large extent been made possible by improved methods of distribution.

That these methods of distribution are costly is undeniable. That they are too costly is also true, for they are capable of vast improvement. But it is well to bear in mind that distribution has made manufacturing less expensive partly by carrying some of its burdens. Storage, insurance, and interest on slow-moving goods are less conspicuous items in manufacturing costs today, because a part of the money which they used to eat up has been charged against speeding up distribution. Sales and advertising, by doing more work, have enabled the purchasing department to buy supplies in bulk for less, and the production department to fashion them in quantities into finished goods for less. A not inconsiderable part of the cut in cost of manufacturing goods may be traced directly to more elaborate and energetic distribution.

It seems to me that Mr. Filene unintentionally concedes this point, and indeed inadvertently gives his whole case against advertised goods away when he says "they will succeed just as far as they are better goods at less price, and they will fail if they are *simply better advertised goods.*" (The italics are mine.)

Mr. Filene implies that many goods now sell successfully not because they are cheaper, or even because they are better, but because they are "better advertised."

Now the reason advertised brands are successful is because they are easier, and hence more profitable, for the retailer to sell. And the reason they are easier to sell is that people want them because they are more economical to buy, either in terms of dollars and cents or in terms of convenience, reliability or some other satisfaction.

If mass buying and mass selling can substitute for nationally advertised brands, store brands yielding the consumer as much in satisfaction for the same amount of sweat, fret and worry, then by all means let us have mass buying and mass selling.

I want, however, to point out one feature of Mr. Filene's proposal which I think deserves careful consideration in the light of our discussion of the relation of distribution to manufacturing costs.

Mass buying, as Mr. Filene outlines it, would undoubtedly cut down the cost of distributing goods, but it is at least questionable whether it would not do so at the cost of increased burdens upon manufacturing.

Mr. Filene believes that mass buying will tend to equalize production over a period of time and to cut production costs. Might it not conceivably have just the opposite effect?

If there is anything which our present elaborate distribution system has done for production, it is to make demand steadier, requirements more easily calculable and operation more economical. Particularly has advertising been a steadying factor for the manufacturer. By advertising he literally buys a good will which he can count on with a fair degree of certainty to result in steady sales for him. And the more people whose good will he has bought, the steadier his volume, all other things being equal, for the law of average operates in his favor.

The great and increasing number of manu-

facturers who are advertising to the ultimate consumer is one proof of this. Another is the trend toward direct selling by the manufacturer to the retail trade. The more evenly distributed are any manufacturer's customers, the more evenly distributed will be his sales. Conversely the more eggs he has in one basket, the harder hit he is if that basket breaks.

Now mass buying, as Mr. Filene outlines it, would tend to take from the manufacturer all the advantages of an evenly distributed demand. It would substitute for his own consumer good will the good will of various large groups of consumers toward store brands. It forces him to put a far larger percentage of his eggs in fewer baskets, and in baskets over which he has no control. It would place his purchases and his production each season at the mercy of a comparatively few large buyers, the unexpected defection of any one of whom might well be a serious, even a disastrous, blow to him.

While it may well be urged that the better baskets do not break, and that the right kind of buyers do not leave a manufacturer without just cause, yet at least there are many opportunities for perfectly honest disagreements between buyer and seller.

Against the possible loss involved in a sudden, unexpected idleness of plant and labor and an inability to use raw materials acquired in the expectation of a normal volume of business, the manufacturer must either protect himself by acquiring a larger margin of profit than usual or suffer the consequences. In either case the cost of production would be appreciably increased. It is a question whether it might not be increased by the uncertainties of such a method of production to a point where the consumer would pay relatively more for the manufacturer's product bought under a store brand than he had previously paid for the same product under a nationally-known brand.

In brief, then, I believe that Mr. Filene does not give our present elaborate distribution system credit for its part in making goods cheaper and better; that while he will allow that "better advertised" goods are easier to sell, he does not admit that they are so because they are relatively more satisfactory to the consumer; and lastly that mass buying would have a harmful tendency to unsteady the process of production, with consequent increase in the final cost of goods to you, to me and to John Doe.

R. K. LEAVITT,

Advertising Manager, "Onyx" Hosiery, Inc.

### What About the Manufacturer?

MR. FILENE'S authority is admitted. His experience is valuable, his contact is world-wide, and his sales and merchandising strategy has in many instances been proven. However, to my mind his article is very largely an ideal of an expected evolution based on the peculiarities and necessarily selfish viewpoint of the department store executive, be he big or little. While Mr. Filene attempts to reconcile this coming era to the advantage and satisfaction of the manufacturer, he minimizes that man's point of view and objective, and therefore throws the suggestion into the realm of controversy.

The chain store is fundamentally sound, and its mass buying as confined to the field of grocery stores and Woolworth's and the like naturally is going to succeed. The element of merchandising in these stores is very largely a matter of mechanics. The buyer walks in and does his own selling. The store is a convenience and merely a warehouse. Naturally costs are low.

In the large department store of the future



as represented by Mr. Filene's chain picture, the elements of merchandising on the part of the store must be improved on the present in order to accommodate the movement of the volume he anticipates; and to accomplish this he may pay more than he figures to pay for the ability to move these goods. In this event his expected reduction in costs is very problematical.

Today we have the merchandise problem to reckon with that is summed up in what we may call the immediate views of the buyer. Every store and manufacturer has very largely prompted the public to buy from hand to mouth, buy by styles or unusual service. The manufacturer has multiplied his troubles by asking the dealer to buy sparingly and promote turnover. At one and the same time he kills his volume, which Mr. Filene thinks with the new arrangement will be promoted.

But the manufacturer may not want to be thrown at the mercy of this "millennium." This quick-buying, limited stock has some physical difficulties surrounding it that do not altogether fit in with the idea of Mr. Filene. The day will never come when individual managerial capacity will overcome the individual initiative and cleverness represented by the personality of the average merchant. Every year sees old methods tumble down because of some innovation which, when introduced, seems to be very obvious; but it is vitalized by the brain power, the initiative of an individual. Mr. Filene may be that individual in a big way who is going to foretell of the future in retailing; but even if his prescription is 100 per cent perfect, there is no thinking man who will concede that advertising will suffer because tactics are changed. Advertising is elastic, and its force will answer to the will of the mind that is big enough to utilize it.

W. C. D'ARCY,

*President, D'Arcy Advertising Company.*

### Other Ways of Cutting Costs

MR. FILENE'S views are interesting and stimulating always, and he is forward-looking. I am not in entire agreement with him in his prognosis as to method, though there can be no gainsaying the fact that the cost of retail distribution to the consumer is higher than would appear necessary. Part of this cost is the result of consumer demand, viz: modern buildings, expensive locations, frequent deliveries, credit accommodations, return privileges, unwillingness to carry small packages, staffs adequate to meet the peak of an irregular load curve.

Part is the result also of the twentieth century society demand for employer responsibility in a variety of ways—sickness insurance, death benefits, plant restaurants run at a loss, summer camps, industrial training, and last but by no means least, excessive taxation, federal, state and municipal.

Costs in distributive enterprises must be reclassified in order to give a true picture, one just to the industry. As a manufacturer bases his cost on raw materials plus cost of fabrication and assembling, so should a distributor. The latter's raw materials are the merchandise he buys, to which he adds a variety of services, which services might be likened to the fabricating and assembling processes of a manufacturer.

Department stores are service institutions. They are filling a social need and are thriving. They will continue to thrive only as long as they adequately perform their functions. Their success has been due to quantity buying and selling such as the smaller and spe-

cialized distributing units of a generation or two ago could not do.

Whether this evolution will be along the lines indicated by Mr. Filene I do not know. A more even demand, a reduction in the variety of merchandise stocked, integrated departments in chains, would all tend, as Mr. Filene says, to reduce the cost of distribution; so, however, would the standardization of clothing and the standardization of all human requirements; but we are not yet ready to be Robots.

Combination in manufacturing plants has for years been in progress. Combination in distributing organizations is in its infancy, and the latter has the advantage over the former that it cannot conceivably be in restraint of trade and should, therefore, in some form or other, proceed and succeed.

JESSE ISIDOR STRAUS,

*Of R. H. Macy & Company.*

### Too Much Power for Retailers

FROM the viewpoint of distribution, the theory of "Mass Buying and Mass Selling, Too," as discussed by Mr. Edward Filene in the September issue of THE NATION'S BUSINESS, would be excellent; but only from that point of view. While this theory may sound practical to the public ear, the real results are only evident to the manufacturer.

Should the development of large department store chains become a reality during the next decade, the larger part of the merchandising of this country will be in the hands of a few all-powerful groups. They will be able to control the manufacturing and the distribution.

Since the purchasing for the same departments of all the stores will be in the hands of one merchandise man, his buying power will be great. One, or perhaps a few, manufacturers' entire production can easily be consumed. Where a manufacturer's entire production is consumed by one firm, he is absolutely at the mercy of that merchandise buyer. This has been the sad discovery of many manufacturers. The manufacturer no longer makes the price; the buyer makes the price. Should he fail to meet this price, the buyer will simply seek another who will meet it. This leaves the first manufacturer without business. Because he has relied on this firm, he has entirely relinquished his former connections; the natural consequence will be a serious curtailment of operations, resulting in the disruption of his organization.

Inasmuch as buyers are constantly changing, this manufacturer will never know when another buyer may replace the present buyer, who may not look favorably upon his product.

Mr. Filene's idea of cooperation between the manufacturer and the distributor sounds very practical. But when and where has a manufacturer found a merchandise buyer who was willing to cooperate with the manufacturer? The manufacturer means nothing more to him than a means to an end. Buyers never have confidence in the market; they are always looking for a drop in prices. On the slightest indication of inactive business they will absolutely cease buying without anticipating even a portion of their needs. When seasons open and business takes a stride, they expect the manufacturer to have the merchandise on the shelf ready for them, should they want it. To the sharp-shooter, merchandise on the shelf means an opportunity to buy at a sacrifice; the manufacturer without profit, the distributor with a double profit.

Without advance orders manufacturers cannot operate. When industries cease to op-

erate, the masses are without work, and their buying power is cut off. When the buying power of the masses is cut off, with whom do these stores expect to do business? The first to take up pessimism and forecast business depression are department store buyers.

Let us suppose that "Mass Buying and Mass Selling, Too" will slightly reduce the cost of living; one of the first results will be the reduction of the consumer's buying power. The manufacturer will have to meet his distributor's price, the result being wage reduction. Workers and manufacturers will have to work feverishly for an existence, while a few will have the lion's share. All struggling to maintain the highly developed machine for mass buying and mass selling.

Without a doubt the wastes of distribution are far greater than the wastes of manufacturing; and steps endeavoring to eliminate these wastes are indeed commendable. But, should we undermine the nation's business by placing the control into the hands of a few? There are undoubtedly less drastic reforms which could reduce the wastes in our system of distribution without completely revolutionizing the entire present business system.

DALTON F. SCHWARTZ,

*Of F. Schwartz & Son, Maker of Dick Manly Clothes for Boys.*

### Advertising Is a Cheapener

I HAVE no doubt that the development which he predicts will come to pass; all current merchandising history seems to point in that direction. People will buy where they can be best and most cheaply served, and the chain store shows no sign of having reached its ultimate goal in any line.

I agree with him, too, that under the stress of such competition certain advertising lines will fall. They should fall. If advertising is ever merely a device for marketing an average article at an advanced price, then it is an economic waste and should be eliminated. But advertising in its better aspects is very much more than this. It is a cheapener of merchandising costs and thus a producer of higher values. It is an educator, also—a broadener of tastes and a creator of wholesome new habits.

The educator and the leader are worthy of their hire, and the right kind of advertised goods need not fear any development that makes for economy in modern advertising.

BRUCE BARTON,

*Of Barton, Durstine & Osborn.*

### Will Individuality Die?

I HAVE been hoping for some time that such a thought would be expressed by some of the leading distributors, the only objection apparently in the minds of many being the possibility of the losing of individuality when absorbed by the larger organization.

In the large cities the individuality has ceased to be much of a factor, while in the smaller cities it is still a primary asset, although after the founders have passed on, the reputation rather than the individuality is what keeps such an institution before the public.

To my mind the advertising department would be the only difficult one to handle. As we see in all of the smaller cities, the "canned advertising" for chain stores which is sent out from headquarters in many cases is entirely valueless to the local store, although one guiding head would be of much value in originating; and then the local advertisers could assimilate it to the local needs.

H. M. HENDERSON,

*President, The Henderson-Hoyt Company.*



# A Business Innocent Abroad

*He Gets Homesick for an American Pullman Car and "George"*

By HENRY SCHOTT

IF GEORGE M. PULLMAN had been a native of Europe and introduced his cars overseas instead of in America, he would have been canonized and Saint Pullman would now have a place in the calendar. Fred Harvey's hotels and dining cars would have given him an earldom, and any number of our railway presidents and other executives would have been knighted had they operated on this side of the Atlantic. To appreciate the comforts of American railway travel I had to take a six months' course in Italy, Austria and Hungary—to learn the difference between riding and being ridden.

An important part of my later years has been spent in Pullmans and dining cars and I was one of those who knew "service," paid for it and expected to have it. I knew not only the Pullman conductors, but the porters and the dining-car stewards and, if called upon, I could give the train conductor and the engineer timely and valuable assistance at almost any point on the road. In fact, I came to regard myself as an authority on service.

I was fully aware if we pulled into Cashville four minutes late or if they had put the new club car on the second section. Let 'em try to run the wash room without enough hot water, or have the broiled whitefish a little overdone or underdone, and I never hesitated for a second to tell them exactly what I thought about that kind of a service on the part of what considered itself a first-class road and it was no wonder there was a prejudice against the railroads when you consid-

"I'm going to be kinder to 'George' the next time the Lord lets me be one of Mr. Pullman's customers"



ered what the traveling public had to put up with, and when they were building cars why didn't they make provision to permit at least twenty men to shave, bathe, shampoo and take their morning exercise all at one time and place!

And everybody would say I was right and one-half of us would decide to speak to our personal friend Mr. Driver, the president of the road, while the others would take it upon themselves to bring the matter to the personal attention of their old golf partner, Mr. Billett, the passenger traffic vice-president. Then to the club car with just time for a cigar and the morning papers. "George" would have my bags in the vestibule ready for the redcap.

## The Rude Awakening via Europe

YES, SIR, I rarely met a railway executive without telling him, in the kindness of my heart and in the interest I felt in his deserved progress, where his service fell down and where it could be improved; how important it was for the roads to cultivate to the fullest degree the personal contact it had with the traveling public. They all said I was right and that they would try to improve, and thanked me for my interest, and I felt I had done a good deed, a kindly act for that day at least.

So I began my travels on European railways. I had been here before, but my railway journeys had been short and minor incidents; this time it was from one country to another. Now after six months I feel that as a self-respecting man I owe an apology, or at least an explanation, to about 40 per cent of the railway passenger executives and employees, Pullman conductors and porters, dining-car stewards and waiters, station porters, gatemen and ticket takers of the American railway systems for things I have said and thought about them.

"If George M. Pullman had introduced his cars in Europe instead of in America, he would have been canonized and Saint Pullman would now have a place in the calendar"

They are an able, gentle, friendly lot of men who do their work well. The cars they operate are clean—clean and convenient. The food is good and is decently served, and a passenger with a bread and milk digestion is not forced to buy thick vegetable soup, boiled beef and horseradish sauce, stewed dumplings, brown potatoes, peas and cheese or cake, or do without. And towels, and a place to shave—bright-polished metal wash stands—towels—more than one for every car! Saint Pullman!

In America you can take a train from St. Louis to New York, or from Chicago to Seattle by arriving at the station ten seconds before starting time. Here, if you're going a hundred miles from Rome or Vienna, you plan to be on hand thirty or forty minutes before the train starts and at that you may scramble for a seat and not get it.

There's an example, an experience, a lesson or a warning—whatever you want to call it—of a well-meaning American on an overnight journey in Southern Europe. Read it and never again harbor an unkind thought about the worst the United States can offer.

We are at Taormina, at the foot of Mt. Aetna in Sicily, and we want to go to Naples on the mainland. Very simple matter to go to the hotel porter and order two first-class tickets with compartment; any child could do that. The sleeping car is sold out for five days to come, he says, but he'll telephone to headquarters in Messina and see if there is a cancellation. He does telephone and within a day or two has some definite information—there has been no cancellation.

## First Class Standing Room

WELL, THEN, says the American who knows all about railroads from the passengers' viewpoint, why doesn't the passenger department deadhead three or four sleepers to the end of the line and take care of the travel north. The porter doesn't know why, but if four or five days more or less makes a difference why not take the sleeping car at Messina—always a string of them there going



CHARLES CURRY



north; you'll have comfortable seats to Messina, cross on the ferry to Reggio on the mainland, step right into your sleeper and wake up in Naples at 10 in the morning.

He was in error about comfortable seats to Messina. We had first-class tickets, calling for seats, but we got not even second-class seats. No seats at all; we stood in a corridor—stood with many others while conductor, collectors, guards, inspectors, minor train officials and more energetic passengers walked on our nice new shoes. We would not be irritated—nobody else was. A matter of two hours and we'd be in our sleeper at Messina.

It was dark when we were ferried across the Straits of Messina. There stood our train for the north and there stood one sleeping car already filled. And did the outraged traveling public then and there demand its rights and insist that not a wheel of that train move until the necessary sleeping cars were immediately provided? Not even a suggestion of a complaint or irritation. Like nice little sheep they climbed right into the waiting day coaches and proceeded to bed themselves down for the night in the aisles, for the seats had long been taken.

### Out for the Morning Wash-up

I COULD see that happening in America, and I could also see the passengers, after having disposed of the bodies of the train crew, taking that little train all apart and stacking it up neatly along the right of way, while the committee on resolutions was demanding that the governor send the militia immediately to assist in tearing up the track. Here, as I said, they only busied themselves finding a place in the aisle not in the main line of march.

During the first four or five hours of the night I had personal conversations with the conductor and he grew more and more interested. It was about half past 12 in the morning when he signaled me to follow him. Grabbing my little trunk I trotted through three cars, careful to step on as few as possible of the aisle passengers. He stopped and nodded toward a closed and curtained compartment. Then he made hastily for the other end of the car, where he stopped and watched me. I waved a bill at him and suggested he wait around while I broke into the black room. I opened the door, turned on the light and there in this first-class compartment of six seats lay two large fat young men while women and children were strewn over the floor in the corridors.

No, this I could not imagine in our country, nor could I conceive of a conductor who would permit it.

They seemed somewhat hurt, or at least annoyed, when I threw my trunk in and told them to move themselves as three important guests were about to occupy half of the room. After consulting in low tones they decided to let me live. I opened a window and dreamed of the hardships of travel on American railways. One of these two men carried a government pass.

Somewhere along 5 in the morning the train stopped and there was an outpouring of passengers toward one end of the platform. I joined them, supposing they were going for a few scoops full of fresh air, but again I was wrong. They dodged into a

long shed near the station, where there were rows of hydrants and basins, where for a few cents you bought the privilege of washing face and hands. Most of the passengers carried their own towels; all Italians carry combs day and night. Such are the lavatory accommodations provided by the railways in Southern Europe. There was a wash room in our car, but no human being would consider using such a filthy hole.

Some one may think this experience was exceptional. Perhaps. I know the train was exceptional in its importance—an express from the tip of the Italian boot to Rome and there connecting with Vienna. My first-class ticket, without sleeping car, but with the privilege of using part of an aisle, half way, cost me a little more per mile than first-class fare at home, including all the rights of a free-born American citizen to complain about the service.

"We're going to get back that school teacher trade, and the mother-and-daughter business too"



And while we are on the subject of sleeping cars they have fixed the amount of the tip to be paid the conductor, who also acts as porter and waiter, bringing your coffee to your compartment in the morning. You are by posted rule of the sleeping-car company asked to pay the conductor-porter-waiter 10 per cent of your combined railway- and sleeping-car fares. Example: Railway fare, \$17.00 plus sleeping-car fare, \$4.00, equals \$21.00, making your tip exactly \$2.10. That may have been another exception, but I am going to be kinder to "George" the next time the Lord lets me be one of Mr. Pullman's customers.

We all know how easy it is to carry a trunk in traveling in America. A hundred pounds for each ticket, and an express man will check it from hotel to hotel for you. You pay here if it weighs an ounce and if you are opposed to trouble, you carry no trunk; hand baggage will furnish you all the woe you will be able to absorb. The few cents you give hotel porters and redcaps back home would hardly start a handbag into motion here. In Budapest I asked the hotel porter to check my trunk to Vienna. He met me at the station,

gave me my receipt and laid before me the following reparations bill:

Ausgabe .....	120,000 kronen
Revision .....	25,000
Trager .....	10,000
Auflage .....	25,000
Commission .....	120,000
	300,000

As I translated it, the main items were:

Payment, Revision, Station Porter, Tip and Commission.

Add to that his own fee, and you have a round 400,000 kronen altogether.

With the Hungarian kronen at 80,000 to the dollar, this payroll bandit was charging me \$5 for bringing my trunk to the station and checking it to Vienna, a slow five-hour journey. Please notice that the station porter's share of the swag—the one who really carried the trunk—was all of 10,000 kronen or thirteen cents. My two first-class tickets would have carried that poor little trunk from New York to San Francisco for nothing.

An Italian gentleman told me that the lack of seats and sleeping cars on that particular journey was due to the annual rush northward from the winter resorts.

"You happen to have been caught in the crowd that was hurrying home, all at one time, from Sicily," he said. "In addition, there was a low rate excursion on, bringing the southern Italians to the north for a visit. It tends to break down the sectional lines in our country—all a part of our nationalization plan. You were caught in that regular annual rush like the rush from Florida and California every spring."

"If it's a regular annual rush, as you say, why wasn't extra equipment, coaches and sleeping cars, sent down the line to take care of that regular annual rush?" I asked, still a little sore from my first-class standing experience.

"Well, now, it simply has not been a practice," he said, "but it will come. We are rapidly improving our service. By next winter we shall have a number of new sleeping cars, built largely on American lines. We know that we must have good traveling accommodations if we are to make this a tourist's country. Please give us a little more time."

### Miracle Workers for Tourists

A SIMPLE way for the American traveler to overcome the discomforts that seem to be an accepted part of railway travel here is to use almost any one of the organizations that make a business of arranging tours for parties or individuals. Let it be the American Express or Cook's or Raymond & Whitcomb—I know this is free advertising, but it is also good service to the reader—any one of them will save you time, money and anguish. How they are able to serve as they do and make it pay is beyond me.

I do not know who the owners of the American Express are, or who operate it, but I am safe in saying that they do a great deal of work for nothing for people who may never spend a cent with them. I hope the



company is prospering, for with its offices in almost every important city it is undeniably of credit to American business methods. They will route you, buy your tickets, make your hotel reservations, hire your guides, engage motor cars or camels, or charter an ocean liner from anywhere to anywhere and it will cost you no more than if you tried to do all of it yourself.

A short time ago I met a man who is interested deeply in the tourist, P. A. S. Franklin, head of the International Mercantile Marine which owns the White Star line, the Red Star, the Atlantic Transport, the Leyland and some others—the largest steamship company in the world. Franklin is just about as big as his company, and like all big men, talks very frankly about his business—if he talks at all. And, by the way, he is a good example of the opportunities America offers in these days. Not so many years ago he was a messenger in the office of a little shipping company in Baltimore, but he could not find much time to perfect his pool game. When the company was absorbed, Franklin was absorbed with it and he was busier than ever; in fact, he kept so busy that he was the only person surprised when he was put at the head of all of the companies. He still works hard—it has become his habit.

### The Post-War Problem

HE GAVE me some new ideas about this tourist trade. Anyone engaged in carrying people over the earth these days has his work and his worries cut out for him far ahead.

"The first-class trans-Atlantic traffic today is only about 75 per cent of what it was before 1914," Mr. Franklin told me. "Second class is 85 per cent and third class only 30 per cent. Here are some facts the shipping people have to face these days.

"The operating costs of a steamship—wages, upkeep, stevedoring—are about two and one-half times those of 1915 and the price of first-class passage is fully double. Those costs and prices have made a great difference in the travel. In the old days we had a regular vacation trade, a very important one, made up of school teachers and pupils, little neighborhood parties from the smaller towns, people who went abroad for a month or two and counted carefully the cost. At the prices in those days, they could go first class and the costs were low. After the war this travel had almost disappeared. We are hoping to revive it with our one-class ships—fine, comfortable vessels with low rates—and I think we'll succeed. The single-class business is increasing fast. The new immigration law has flattened the steerage business. We used to count on a thousand steerage a week from the Red Star at Antwerp. There is nothing to take its place. What about these 'thou-

sands and thousands of Americans' who come abroad every summer?

"Not nearly so many as are generally supposed to come. How many of your

season in Atlantic travel is from the end of May to the middle of July eastbound, and from the middle of August to the first of October westbound. There's a hollow month in the middle of the summer and several of them between October and May."

An American paper, published in Paris, recently said there were 300,000 Americans in Europe this summer. My guess is that fewer than 100,000 came over and I am willing to leave it to the government passport office to decide. (A pretty good guess; the Bureau of Immigration estimates the number at 106,000.—The Editor.)

"To overcome some of that winter dullness we put on the cruises to the Mediterranean, to the Orient and around the world," Mr. Franklin continued. "I doubt whether they are money-makers for any of the steamship companies, but we consider them as a by-product—better than tying up our ships and scattering our personnel.

"This special cruise business was really developed by an American named Clark. He is a one-man organization, a terrific worker, an enthusiast, and he generally makes his cruises pay. I think he's a genius. He'll charter one of our ships, say in August, for three or four months in winter and then he proceeds to sell the space. In one city he may interest Mr. Congregational Minister to form a party, thereby earning his own way.

### Issues a Warning

"AND WE'RE going to get back that schoolteacher trade, and the mother-and-daughter business, too. It's not the cost of steamship tickets alone that stopped it. Railway fares and hotel costs in Europe are largely to blame. I haven't hesitated to tell hotel men in certain countries that they had better change their ways.

Mr. Franklin talks straight English, as you will note, but he is by no means discouraged about the future of shipping. He thinks things will right themselves in the next two or three years; today it is a matter of a world with too much tonnage. If there is a traveling public that prefers the simple comforts of the one-class ship to the superluxuries of damn-the-expense liners, Mr. Franklin will provide.

"The public tells us what it wants and it's our job to deliver it," is the way he expresses it. "We believe we're going to have what's wanted in the 'Minnie' type we are building—21,000 one-class passenger boats that are at the same time the largest freighters in service. Leave London Saturday morning and arrive in New York Monday morning.

Don't you think that's what is really wanted?"

There is the idea that controls in American passenger transportation, on land or water: Find out what the public wants and provide it.

## The Disadvantages of Being Rich

CONSIDER the Poor Rich Man, how troubled is his life. For his path is beset with trials and tribulations which you and I know not of, and his freedom is restricted by customs and conventions as immutable as the eternal hills.

As a rich man he must live up to his status. He may prefer a shabby little flivver that he can drive himself, but his position as Croesus demands that he must own a huge gasoline hog of ninety horsepower with a liveried chauffeur. Otherwise he loses caste.

He must possess a gorgeous mausoleum on Fifth Avenue or its equivalent, and a rambling expensive country place in some fashionable resort—both treated in the best and least homelike style of the interior decorator and both infested with footmen, butlers, cooks, housemaids, scullions, gardeners, cellar-men and valets. His idea of true comfort may be a bourgeois home with old-fashioned Morris chairs and Axminster rugs, and the right to sit in his shirt sleeves if he feels like it; his ideal of a summer place may be a shack in the woods where he can wear old duds and never shave until he comes back to the city. But he cannot have these humble surroundings because they might affect his financial rating.

Tradition demands that he have a box at the opera and occasionally sit in it. He may detest opera, but he must go. He has to sit in a box at a baseball game, when he probably prefers the bleachers where he can yell and generally behave like a small boy without attracting attention.

He must dine and lunch at sumptuously subdued places where the prices touch perihelion and the food induces peritonitis. That he would probably rather lunch at a White Front restaurant, where the food is prepared to feed his body and not his vanity, is of no help to him. His course and his courses are fixed by the tradition that accompanies his money.

The complexities and formulae through which the rich man must thread his way to maintain his standing are infinite and wearying. If he is ill he must have conferences of specialists; he must travel *de luxe* whether he likes it or not, he has no privacy worth mentioning, and his life is a long-drawn question between a coupon and a coupon.

I ask you, would you exchange your lot for his? So would I.—BERTON BRALEY.



personal friends are in Europe this summer? Count them up and you'll be surprised at the actual small number. It's a good ship that carries a thousand cabin-passengers. The big



# The NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

Washington

November, 1924



## We Have Come Home

**T**HE NATION'S BUSINESS and its owner, the United States Chamber of Commerce, are in their new home, built by the gifts of American business men, at a cost of \$2,500,000.

When next you come to Washington and are strolling past the massive and dignified Treasury Building, the beautiful Colonial White House and the grotesque home of the State, War and Navy Departments, turn north at Jackson Place. A block away, at the northeast corner of Connecticut Avenue and H Street, stands our new building, as worthy of its architect, Cass Gilbert, as the Woolworth Building, his other expression in steel and stone of modern business.

The Chamber's new home is worth looking at, inside and outside. On the ground floor are a noble entrance hall and meeting and committee rooms, large and small. Above are three workshop floors, plain but convenient, housing the executive offices and the working departments of the Chamber.

From our windows we see half the departments of the Government. Labor, Commerce, the Interior, Interstate Commerce Commission, Federal Trade Commission are within a few minutes' walk. We are in the center of all that movement which has grown so in the last dozen years to link government and business, whether they will or no. We invite you, if you are suffering from too wearing a session with tax officials or Federal Trade Commission, to come and call on us in our new quarters.

And your eyes will be gladdened by the simple dignity of this new building, which belongs to all American business, and which stands as a lasting testimonial of the faith of American business in organization for righteous ends and as a pledge of continued service on the part of the Chamber and THE NATION'S BUSINESS.

## A Peach Goes to Market

**P**EACHES this year were thrown away in Georgia at the same time they were selling in New York for twenty cents a pound. And the consumer was indignant. Letters poured in on government officials demanding that something be done.

The Secretary of Agriculture has made an explanation. In the first place, the crop was larger by far than was expected, and the growers did not thin out the fruit. Small sizes were common, and these were the ones chiefly thrown away.

But the cost of distribution is just as much for peaches in a plentiful year as in a year of scarcity. Here are some department figures:

The cost of a six-basket (24-quart) peach carrier, plus the cost of packing, is fifty-two cents. It costs seventy cents for freight and icing; so when the carrier reached New York to be sold by the carload to jobbers, there was a charge already of \$1.22. The jobber, buying by the carload, paid from \$1.75 to \$2.50 a carrier. The grower got from 53 cents to \$1.28 for 24 quarts of fruit—if he sold them—but if he were shipping culls to a glutted market, what would he get?

Now let's look at the extreme end of the road to market, the

consumer. A 24-quart carrier holds 37½ pounds of peaches. One woman who complained said she paid twenty cents a pound. If—and that's a big if—the retailer sold all the peaches, he got \$7.50, which seems a considerable jump from what the producer gets. On the day the woman wrote, the very top price paid by jobbers in Georgia for peaches was \$2.75. What made them cost \$4.75 more to the user?

Here's the answer in part: The jobber gets his carload at a pier and divides it among jobbers in smaller lots, who may take from five to one hundred carriers. These jobbers in turn divide among retailers, who in turn divide among consumers; and each division means another hauling by truck.

In each handling is waste, in each are profits. Is it easy to see where the \$4.75—the difference between the carload jobber's price of \$2.75 and the consumer's price of \$7.50—is used up?

The farmer's share seems small, but so is the share of every one else on the route. If the woman, who voiced her disapproval of peaches wasted in Georgia and retailing in New York at twenty cents a pound, would contract for a carload of peaches at the terminal, she might get them much cheaper; but if she insists on the privilege of buying one peach or a dozen as her needs dictate, and if she asks to have them delivered, and if she won't take small peaches or spotted peaches or unripe peaches, who's to pay?

## So This Is Business!

**C**URBSTONE filling station pumps, made in Indiana, measuring out gas to Chevrolets in Cairo (Egypt, not Illinois)!

The wife of the manager of an American company in Havana simply *has* to have her electric washing machine when the family moves to Cuba; an unheard of thing in a country where laundering has always been done by hand, by numerous women trained in the profession! But father, being in the electrical business, cashes in on that act of indulgence by selling several sizeable shipments of electric washing machines to the numerous other families that hear about it through the grapevine circuit of servants' talk.

A recent trade report from Bagdad mentions three motor car routes across the Arabian desert, one from Beirut via Damascus to Bagdad, served by Cadillacs and Buicks; another from Beirut via Damascus and Palmyra to Bagdad, served by Dodges; and a third, from Aleppo down the Euphrates River to Ramadiya and across the flats to Bagdad, served by Fords.

When the American chamber delegation to the International Chamber meeting in Rome arrived at Jerusalem in the course of its travels, it was conveyed throughout the Holy Land chiefly in Durants, at a time when Durants hadn't been on the American market many months.

Ho-hum! A stupid business world!

## What's a Man Worth?

**W**HAT'S a man worth? There isn't any answer. When Will Hays left the Cabinet and took the task of straightening out tangles in the motion picture industry, it was believed and not doubted that he was to get \$100,000 a year. Much money, but what of it? Those who know say that he has saved his employers many times that amount in countable cash by the mere prevention of lawsuits alone.

Another report is that Secretary Hoover was asked to help the citrus fruit industry in Florida to organize for better marketing, and that \$200,000 was to be his yearly wage. Again much money; but suppose he takes a wasteful industry—if that be a wasteful one—and shows it how to save, how to dispose of its unmarketable surplus. If a man can save millions, can you measure his worth except in hundreds of thousands?

Someone not long ago put before the legislature of the state



of New York a proposal to limit the salaries of life insurance presidents. The New York Insurance Report for 1923, covering the business of 1922, gives Haley Fiske as the highest paid life insurance president in the United States, and lists his salary as \$133,000 a year. Once more, much money; but who doubts that Mr. Fiske could show a legislative committee that he earns many times that each year?

There are consciences that are shocked by the \$750,000 counsel fee in the M. K. & T. reorganization. Eminent lawyers have testified that it wasn't too much. Samuel Untermyer in his biography in *Who's Who* (and these are mostly autobiographies) says that he got \$775,000 as a fee for consolidating Utah Copper with Nevada Consolidated and Boston Consolidated. *Time* says that Levy Mayer, of Chicago, got at least one fee of \$500,000. Ex-Senator James A. O'Gorman got \$65 an hour as referee in the Gould estate accounting. With an 8-hour day and a 300-day year he'd get an annual \$156,000. Once more, much money in these figures!

The trouble with the folks who loudly proclaim that "no man can earn \$100,000 a year" is that they don't mean that at all. They mean that any man can live on less than that.

### Misbranding Goat Meat

**C**CHEVON may cause a flurry, sooner or later. It is announced by the Department of Agriculture as the name under which we are to ask in the future for goat meat. So far, so good. In a guileless moment, however, the Department of Agriculture adds that the word is compounded of two French nouns, the second of which means mutton. The Federal Trade Commission may accordingly be expected to come forward and file a formal complaint against chevon, on the ground that there is misbranding.

### Asking the Middleman to Commit Hari-Kari

**P**ROFITS are an interesting and necessary object of our activities. A wage that meets only the barest necessities and leaves nothing over for sickness or a rainy day is unsatisfactory from every point of view, and a business enterprise that does not as a usual thing have something over at the end of a year is surely headed for the rocks. A good time to investigate the possibility of a business yielding profits instead of life-sapping deficits is before you enter it.

How far there were advance investigations of probable profits from a farmers' cooperative company to operate terminal grain elevators does not appear. Now that the project is launched, however, the Federal Trade Commission announces it will investigate the margins and profits of terminal grain middlemen, adding an intimation that the results will be interesting to the farmers. It seems a bit rough on the middlemen, though, for them to have to divulge the facts of their affairs for the benefit of folk, however worthy in themselves, who are chiefly interested in putting the middlemen out of business.

### A Challenge

**W**ITH pencil poised in air the other night, trying to write something at once interesting and illuminative on the moot question of government and business, we caught this over the radio from Herbert Hoover:

A silent revolution is transferring ownership to the public. Moreover, the new generation of administrators of these enterprises has firmly grasped its responsibility to the public. Indeed there are deep and promising currents originating in our economic life driving toward a mutualization of public and private interest, employer and employee interest, with promise of a new period in industrial development. There has been a genuine growth of business conscience and service, and this growth is far more precious than any amount of legislation.

And from it all we have by and large evolved the best actual service to the people from utilities that there is in the world. It may

not be perfect, but no one who has tried a European Government railway or telephone needs conviction of our superior service. Moreover, there is a diffusion of service and use among our people double and treble the proportions to the population of any other country.

We ship more goods per person, and our workmen have more power at their elbow than any other workmen in the world. The wages in our utilities give the highest standard of living and comfort on the earth. If our utilities were dominated by the malignity that some contend, these things would never have come about.

To whatever extent we have failed in control, whether it be through overcontrol or through insufficient control, it is a challenge to us to perfect our system. There have been mistakes and will be others.

But I may say at once that if the American people have not the intelligence, if they have not the character, if they have not the political mechanism by which private competition can be maintained and yet abuse can be prevented, then they do not possess the character or the political mechanism by which they can undertake the gigantic operation of these enterprises.

### Where the "Showers of Blessing" Fell

**W**HEAT BLESSINGS appear to concentrate, and the center of concentration is somewhere in Kansas, although there is a pleasant degree of concentration as far north as North Dakota. East of the Mississippi River the country has 50,000,000 bushels less wheat than last year. West of the Rocky Mountains the states have 60,000,000 bushels less than last year. Nevertheless, the country as a whole has somewhere over 30,000,000 bushels more than last year.

The increase in the wheat crop plainly comes between the Mississippi River and the Rockies. Kansas leads the way with 71,000,000 bushels over last year, an increase that means, with this year's higher prices, at least an addition of \$110,000,000 to the income of Kansas. The income of North Dakota from wheat for 1923 will be more than doubled in 1924. The addition to North Dakota's income merely because of wheat will be in excess of \$75,000,000.

Blessings seldom come singly. Kansas has a good corn crop, too. Its value would seem to be something like \$144,000,000, or pretty nearly \$50,000,000 more than in 1923. North Dakota can point to other crops, too. Oats will answer as an illustration. For them it will receive even in this age of the gasoline engine at least \$34,000,000 this year, as against 15,000,000 in 1923.

Statistics for all crops are not yet collected. There can be no doubt, however, that the value of the production of agriculture nationally this year will show a handsome increase. Some time ago the Secretary of Agriculture estimated that the increase in wealth from major crops in 1923 was a billion dollars over the year before. There is every evidence that he can now add at least another billion for 1924.

### One Manufacture Fully Barred

**F**OREIGN COMPETITION of an unfair sort which substantially injures an American industry efficiently and economically operated is forbidden by the Tariff Act of 1922. The provisions of the law allow the President, after investigation by the Tariff Commission, to impose penalties or even to cause entire exclusion of an article which is offered for importation under these unfair conditions.

These provisions of law have now for the first time been invoked. The President ordered temporary exclusion of revolvers of a foreign make which were so fashioned as to be exactly or substantially similar in appearance to revolvers made by an American manufacturer. The Tariff Commission has since been affording opportunity for the importers to present their case. What the final result will be remains to be seen. Whatever it may be, the existence of the new provisions of law has become more widely known.



# American Business Grows Steadier

By CARL SNYDER

*Of the Federal Reserve Bank of New York*

FOR MORE than a quarter of a century now the United States has been free from anything like the "hard times" once so characteristic of, and seemingly chronic in, this country. Panics we have had and drastic slumps in trade; but they have been short and nothing like the prolonged and grinding depressions of '93-'98, of '73-'78, and on backwards as far as the records run.

Indeed, the phrase "hard times" is almost unknown to the present generation and has all but disappeared from our vocabulary.

Yet it is curious to reflect that as late as the nineties there was a flood of books and pamphlets and papers to prove that crises and depressions in America were steadily growing both in length and severity, and predictions were not few that they would wind up in "a crash of our modern industrial civilization." The fervid literature and confident predictions of that period make very interesting reading now. For since the famous crash of '93 we have had but one real panic, unless we include what was sometimes called the "merchandise panic" of 1921.

## Freed from Old-time Panics

THE YEAR of 1907 saw the latest, and conceivably the last, in this country of the general closing of banks and collapse of credit that had been so familiar an episode in the preceding century. And as for depressions, it is interesting to note that, according to the new measures of business and trade which we have made at the Federal Reserve Bank of New York, business has sunk below the line of the normal rate of growth for a period exceeding fifteen or sixteen months but once since 1898. This period, curiously enough, was not that of the violent decline in prices and trade which followed the boom of 1920, nor that which succeeded the panic of 1907.

According to these new measures the most serious and prolonged depression in trade we have had in twenty-six years was that which began in the summer or fall of 1913 and con-

tinued until the end of 1915, a period of more than two years.

This comes to most students of the subject as a real surprise, but it is the distinct testimony of the only two indexes of the volume of general business or trade which we possess. Possibly its length and extent were obscured by the excitement of the opening of the War, and it was usually associated with that event.

It would be natural to infer from this growing freedom from the old-time, long-dragged-out depressions, a corresponding increase in the general stability of American business. And this is, of course, precisely

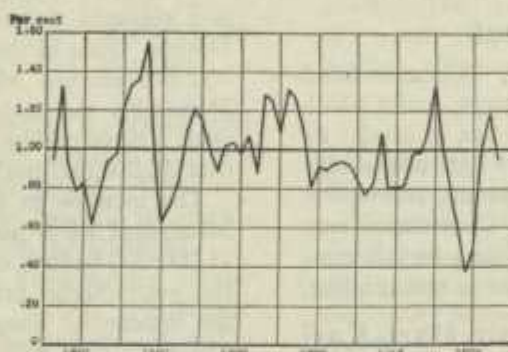


Chart No. 2.—Year in and year out, the average of the number of firms failing to the total number of firms in business runs very close to 1 per cent. The diagram shows the variations from year to year in this percentage of firms failing through the last sixty years. The lowest percentage of failures was in the boom year of 1913.

what we find. But the interesting fact is that this increasing stability did not begin with, say, the twentieth century, or the present generation, but far back of that, as far as our business records extend, that is, back to the Civil War. The inference is that it was probably going on far back of those fateful times,

and perhaps from the early days of the young Republic.

For the bases of this conclusion we have, quite apart from the general reports of business in the newspapers and reviews, two distinct and convergent lines of evidence.

The first of these is the new measures of the fluctuations of trade, made by our department at the Bank. It is curious to consider how few and, as we now know, how untrustworthy have been the data upon which to build any long-time comparative picture of American business.

Aside from our old friends, pig iron production and bank clearings, the available records are scant; and iron, as we have now come to know, has long since outlived its reputation as a good "barometer of trade." And in the tremendous price upheavals of the last ten years, bank clearings or, as we say now, bank debits, have lost any strict comparability.

## What Bank Deposits Show

IT WAS this lack of a real measure of total trade which led us to the compilation last year of a new index of the Volume of Trade, representing a weighted composite of fifty-six independently computed series. Much the larger part of this material was new and available only from 1919. But it gave us a trustworthy measure or yardstick with which to compare any other index for these five or six years. It was from this base that it was possible to construct, from bank clearings corrected for changes in the general level of prices, a measure going back half a century. The course of this new index is depicted in the accompanying graph. (No. 1.)

One of the interesting developments, growing out of our new Index of Trade from 1919, was the discovery that another excellent index, or "barometer," could be constructed from the varying rates of turnover of bank deposits, which had been compiled for some time previous. It was found possible also to extend this second index back for the same period



Chart No. 1.—The ups and downs of trade are quite accurately reflected in bank clearings and in the rate of the turnover of bank deposits; and when changes in

the levels of prices have been allowed for these are probably the most accurate long-range measures of business that we have. The index figures are in per-



of half a century, with a quite striking general congruence.

Inasmuch as these two measures tallied so closely, as a rule, with the accurate measures of trade available from 1919, the general agreement of the two indexes, both in respect to percentages of deviation from the line of normal growth, and in their time relations, left little doubt of their approximate accuracy. At any rate it seems probable that they are the best we shall ever be able to devise for so long a period.

Now, the striking fact in the picture thus constructed is that the fluctuations of trade or what, following Prof. Mitchell, we have come to call the "business cycle," have, throughout the whole period, been steadily decreasing, or, as the electricians would say, the wave has been "damping down."

### Failures Few in Ratio to Wealth

**THE EXTREMES** of boom and depression were distinctly greater in the first half of this period than in the second half, and in spite of the great war boom and the violent collapse which followed, were rather less in the last ten or fifteen years than in the preceding ten or fifteen. Since the panic of 1907 only once, and that for but two or three months in 1914, have these extremes amounted to more than 10 per cent above or below the normal line or computed trend. These fluctuations compare with ranges of twice this amplitude in the eighties and nineties.

All this is pretty clear evidence of a growing stability of American business and could be so accepted. But we have other and quite decisive proof.

Our business agencies, like Dun's and Bradstreet's, have collected records of failures both as to their number and the amount of liabilities involved, for a period running back to the close of the Civil War. The actual figures, of course, show a steady increase as the country has grown in population and wealth, but in very different ways. The number of failures has grown with the population; and, taken over sufficiently long periods, very evenly. But the extent of these failures, measured in dollars, has increased at nothing like the expansion of wealth and trade.

It was extremely interesting to find, as we did, that throughout this long period there

was no evident change in the proportion of failures per million of population, or in proportion to the number of firms reported as engaged in trade; a very significant bit of human psychology. It appears to be that, of the number of persons starting out in business, a fixed proportion is predestined to failure, and that this percentage has not discoverably changed within the last two generations at least.

The whole character and structure of Ameri-

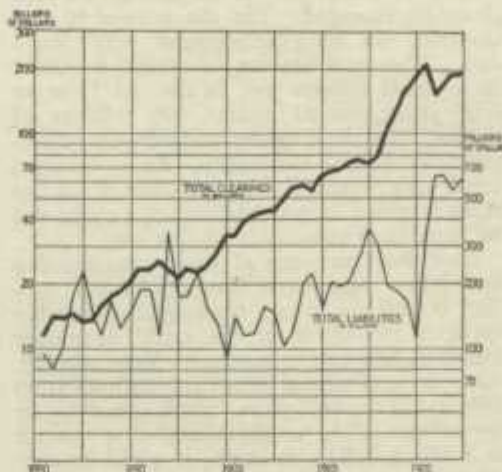


Chart No. 2.—The best picture of the growth of the country's trade is found in the growth of bank clearings, or as we now say, bank debits. It will be seen that the total of liabilities in reported failures has grown at a much lower rate.

can business may undergo the striking revolution that it has in the last half century, so that business methods and the business man of today differ as distinctly from the days of Jay Cooke, Daniel Drew or Jim Fiske, as these did from the times of the first John Jacob Astor or Stephen Girard. Vast corporations may arise whose invested capital exceeds a billion of dollars, huge "trusts" whose threatening powers and potencies gave rise to deep apprehension a generation ago. But all these seem not to have swallowed up the individual adventurer, as it was once believed they would.

And so in this decade, as sixty years ago, it still remains that about 1 per cent of all those

engaged in business will, on the average, fail each year. This percentage will fall in years when prices are rising and trade is brisk, and almost anyone can make a go of it, but it will just as evenly rise when business turns downward and depression sets in; all of which is vividly depicted in the accompanying graph. (No. 2.)

But when we come to the question of the extent and importance of these failures, we find a very different picture. Roughly speaking, the amount of liabilities in these failures is today only one-fourth what it was half a century ago, when it is compared with the total volume of trade. Here the best measure is again bank clearings, since the amount of liabilities will be equally affected by changes in the price levels as are bank clearings. One goes up, or down, with the other. All this is set forth in the accompanying diagram (No. 3) which shows how bank clearings outside of New York City (the best general measure for the whole country) have risen, as compared with the increase in the liabilities in failures reported (both measured in actual dollars).

### Marked Drop in Loan Risks

**THE CONVERSE** of this picture is given in yet another diagram (No. 4) which shows the rate of liabilities per million of bank clearings. Here, it will be seen, the ratio is steadily downwards, from about \$4,000 per annum to about \$800.

Expressed in other terms this changing ratio means that the risk involved in the average commercial loan is today not more than one-fourth what it was only fifty years ago; which seems to suggest an interesting conclusion. If the proportion of firms in business who fail is the same now as then, while the amount of their liabilities proportionally to the capital invested and volume of business transacted is only one-fourth as great, it seems evident either that it is, as a rule, small business which fails, as contrasted with "big business," or else all business is in general better managed and more safely conducted now than in previous generations.

Quite probably it is a little of both. In yet another diagram (No. 5) is given the number of firms failing with capital of less than \$100,000 and those of over \$100,000,



percentages of variation from the normal rate of growth, which amounts to something like  $3\frac{1}{2}$  per cent per annum, in recent years. The diagram gives simply

the variations from this line of growth. This history of business ups and downs in the last half century shows that the fluctuations of trade grow less violent



since about 1895. This record does not appear to run much back of that. Since 1895 the volume of bank clearings outside of New York City, as reported, has expanded about eight times; but this is largely due to the fact that the price level has risen about 150 per cent. But this also means that the amount of capital necessary to the carrying on of a given volume of trade has increased by a corresponding amount. It is significant, therefore, that the number of firms failing with liabilities of less than \$100,000 has grown at a much lower rate than the number failing with liabilities greater than \$100,000.

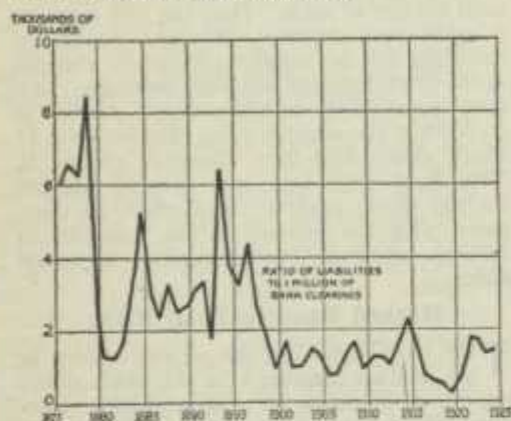


Chart No. 4.—We do not know the total amount of credit extended to merchants, but we get a very good idea of the steadily declining risk by taking the amount of liabilities and failures reported, compared with bank clearings. These figures are in liabilities per million of clearings, and show the fairly steady fall throughout the last half century.

In part this may be due to a steady transfer of firms from the under \$100,000 to the over \$100,000 class, due to the steady increase in the average amount of invested capital which, in turn, has been largely the effect of the steadily advancing price levels in the last half century.

As I have elsewhere shown, the average purchasing power of the dollar is now a little more than 45 cents, as compared with the average effective value of the forty years preceding the War. In other words, from the average of pre-war levels, the dollar has depreciated by over 50 per cent, which has automatically necessitated something like an average doubling of the capital required to carry on the same amount of business.

#### Days of Wild Booms Past

**B**UT WHEN all these things are taken into consideration we may still conclude, perhaps, that as far as the evidence extends the sagacity and efficiency displayed by small tradesmen has somewhere near held its own with that of big business. We are scarcely warranted, therefore, in concluding that the steady advance in business stability in the United States has been due wholly to the development of large corporations with enormous capital and wide ramifications. This has probably been a contributing factor.

But so, also, probably has been the steady growth and development of the country. We are pretty much past the era of wild land booms, such as characterized the seventies and eighties and previous periods, and likewise booms in railway construction and the like. And with this more even development of the whole vast area of the nation, and a certain diversification of industry, geographically and otherwise, there has come a kind of integration of business enterprise that inevitably makes for greater stability.

It would be of interest also to think that the business man of today has shown a wider outlook and more information about business,

past and future, than in former days. But the new knowledge concerning business waves and the so-called "business cycle" has been of very recent growth, and it is doubtful if more than a small number of business men, comparatively, have as yet made any real or effective use of the very remarkable advance in this field.

If such has been the progress of the last half century in the direction of business stability in this country, it remains to ask what is now the actual risk on the average amount of credit extended. For the answer to this question, we have only some very rough data. The total amount of annual liabilities in reported failures has, in the last three or four years, ranged around 600 millions of dollars. But these figures undoubtedly considerably exaggerate the reality. An experienced credit expert suggests that possibly the actual sums involved in real bankruptcies might not be more than two-thirds of this sum.

Now the experience of credit organizations and others who have investigated the subject is that in actual bankruptcies, roughly speaking two-thirds of the credit or money loaned is lost to the creditor. Very roughly, then, the real annual losses to creditors from failures in recent years might possibly be somewhere in the neighborhood of a quarter of a billion dollars or more; it might be considerably more.

We have no figures as to the total amount of credit extended in the country, but only a rough approximation in the shape of bank loans. It is of interest that the average amount charged off in each of the last four years by the Member Banks of the Federal Reserve System was about 177 million dollars. The average amount of loans outstanding from these banks through the period was between 18 and 19 billions of dollars; and this represents about three-fourths of all the loans made by the commercial banks of the United States. If we could take these figures as a gauge, then it might be said that on the average the annual loss on credit extended in this country is somewhat under 1 per cent of the total amount. But these were four rather difficult years, and the average over a more peaceful period might be considerably less. On the other hand, it is quite probable that the loans made by the 10,000 Member Banks of the Federal Reserve System are of a considerably higher grade than the average of all loans of all kinds in the whole country. If we could imagine that the one factor about balanced the other, then perhaps we might accept the showing of the last four years made by the Member Banks of the Federal Reserve System as a fair criterion of the average annual credit loss.

But this would include every degree of competence and sagacity in extending credit or making loans, from the very highest to near the worst. It happens that we have a definite figure on a large amount of credit extended on a class of paper that many regard as a rather precarious risk. That is on the purchase of automobiles on credit. But the General Motors Acceptance Corporation has published the fact that on somewhat more than half a billion dollars in total paper accepted through the last five years, the loss has been less than a fifth of 1 per cent. Which, it may be fairly said, is a quite amazing showing.

Even if we compare losses from failures with our estimated annual savings, the amount is still relatively small. Competent investigators like Prof. David Friday and Prof. W. I. King have estimated that our annual savings range somewhere around 15 per cent of our total national income. Taking the very

careful estimates made by the National Bureau of Economic Research, under Prof. Mitchell, this would mean, nowadays, something like 10 billion dollars per annum, so that, compared with this, the loss of even several hundred millions is not very heavy. And of course this is merely the loss to the savers and not to the country at large.

If we are to think along large economic lines, then it is clear that the actual losses from business failures, compared with the total of credit extended, or the total volume of business transactions, is, all things considered, nowadays astonishingly small, though



Chart No. 5.—If we compare the number of firms failing with a capital of less than \$100,000 with those of over this amount, we note a rather rapid rise of the latter in recent years. This is not because "big business" is growing more hazardous but simply that the great rise in prices in and since the War has necessitated a corresponding increase in merchants' capital.

it may mean very much to the creditor, possibly as much as one-sixth or one-seventh of the average earnings on the money loaned or its equivalent.

But it is all relatively unimportant compared with the other economic losses which, as a nation, we must bear. For example, it is possible that the nation's losses from inadequate or antiquated mechanical equipment, cumbrous methods of production, inefficient organization, from strikes and lockouts and costly shut-downs, and the like, might in a single month, conceivably in a fortnight or less, exceed all the losses of a year, from business failures, of which the newspaper headlines from month to month make so much.

#### Can't Punish by Publicity

**P**UBLICITY as a penalty for people who do not obey a law has its practical drawbacks, as has been discovered in Massachusetts. The legislature of Massachusetts enacted a minimum-wage law. When it came to imposing penalties for employers who refused to pay the minimum wage the legislature decided against fine and imprisonment and concluded it would suffice if their names were published.

To make sure that no newspaper would refuse to open its columns to such a list, the legislature provided a fine for any newspaper that declined, at the same time declaring that for the publication a newspaper should not be held liable in the courts.

This was too rough on the newspaper, the courts of Massachusetts have now held. At best, newspapers might get themselves in for costly litigation, through no fault of their own. That was a burden which could not be placed on them. Besides, a newspaper may have preferences, desires, and ideas of financial detriment and is entitled to give them weight. Using this reasoning, the Massachusetts courts have said that a newspaper is free to refuse to publish a list of employers who do not pay the minimum wage.



# The Fun I've Had in Business

## No. 8—Becoming the Father of Trusts

By CHARLES R. FLINT

Author of "Memories of an Active Life," "Shoes and Ships and Sealing Wax"

EMERSON insists that all things come from within; but some things come from without, unsolicited. The title "The Father of Trusts" was bestowed upon me by the Chicago newspapers.

During the McKinley-Bryan campaign of 1900, Mark Hanna, who was too able a politician to permit the trust problem to become an issue, asked me to defend industrial consolidations from a nonpartisan platform at the annual banquet of the Illinois Manufacturers Association. The next morning the newspapers printed my picture with the title "The Father of Trusts"; and beneath this was published the definition with which I had commenced my speech: "A combination of labor is a trades union, a combination of intelligence a university, a combination of money a bank—a combination of labor, intelligence and money is an industrial consolidation—Work, Brains, and Money."

McKinley ordered 500,000 copies of that speech to be distributed throughout the United States.

### Standard Oil the Pioneer in 1882

IN THE seventies John D. Rockefeller did pioneer work in applying advanced ideas to the formation of a huge organization for the refining, shipping, and distribution of crude oil and its products; and in 1882 the Standard Oil Company was incorporated, marking a great stride in industrial progress. But Mr. Rockefeller's activities were limited to oil, and it was not until years later that industrial consolidations were generally formed in other lines of manufacture.

Even as early as 1880 I had made substantial progress in endeavoring to form an industrial consolidation of the first magnitude, which I shall describe; and in 1891 I had delivered before the Commercial Club of Providence the first speech, generally published, that advocated the formation of industrial consolidations on the ground that they were a public benefit. Since that time, in many publications, I have consistently advocated such consolidations as a most essential factor in economic development. The views that I expressed in those early days have been adopted in the United States, and, since the World War, on a greatly enlarged scale in France, Germany, Italy, and England.

Although I had had an extensive experience as a merchant, I was unknown as an officer or director in any incorporated company and had no intimate association with prominent financiers until 1879. While I was purchasing munitions for Peru, I had become intimate with Marcellus Hartley, who owned the Union Metallic Cartridge Company, and who left a fortune of many millions. He was heavily interested in the United States Electric Lighting Company, and through him I was given an opportunity to buy a block of this stock at a

concession, and was offered the presidency of the company, which I accepted.

The corporation contained many noted men; the vice-presidents were Marcellus Hartley, Anson Phelps Stokes, and Henry B. Hyde, the founder of the Equitable Life Assurance Society, who told me that in his opinion electrical development offered greater opportunities for profit than life insurance, and these associations put me in the big business class.

I concentrated on electrical development. I made the most of our incandescent light by showing it in our office in the Equitable Building. I had a wire run from our laboratory to my apartment and displayed the first incandescent light in use in a New York residence. I put the bulb in a large globe which held

without a marketable lighting system.

To secure such a lighting system for the United States Electric Lighting Company I started with the best legal and technical advice, and I became generally familiar with the status of electric lighting and power and its business exploitation. I felt it urgent to

put the United States Electric Lighting Company on the map commercially. For this a complete lighting system was absolutely necessary, so I decided first to try and consolidate with the Brush Company that had one.

Brush had been an employee of Frank Wetherbee, and the latter arranged for Brush to invite me to Cleveland. We both partook generously of "sweet talk" in the evening, but the next morning at his office Brush expressed his real opinion of the situation when he said, quite truly, that we "had no lights except financial lights, and that they wouldn't burn; but if we had a complete electric lighting system, like that of the Weston Company, he would consider consolidation." I made for the train, not even taking time to pick up my bag at the hotel, and wired Weston and his president to meet me at Delmonico's.

### The Early Days of Electricity

WESTON himself was not over keen about consolidation, but I suggested to him that his company was not taking the fullest advantage of his genius, to which he immediately agreed. Inventors almost always rise to that fly. After a good dinner, I went with him to the office of the company at Newark, where I spent most of the night in investigation. The next morning agreements were executed, the cash was paid and our control of the

Weston Electric Light Company was assured. We immediately turned it over at cost to the United States Electric Lighting Company, which then, for the first time, came into possession of a marketable lighting system.

The era of electrical development, which has since resulted in electric lighting and power, the telephone and wireless telegraphy, was just getting under way. The electric light

business was making progress. Thomas Edison had brought out the incandescent light, and was getting ready to manufacture it at Menlo Park. Charles Francis Brush had put the Brush Electric Company of Cleveland on a sound basis, Edward Weston, an able electrician, was making decided progress in the field, as were Elihu Thomson, and Professor Houston of Philadelphia. There were other pioneers—Sawyer & Man, Sprague, Vanderpoel, and Field.

At this point, being in possession of all the facts, I clearly envisaged the possibility of bringing about a great electrical consolidation which would include light and power. I realized that if such a consolidation were not formed many millions of dollars would be lost as a result of patent litigation, wasted efforts,



"I displayed the first incandescent light in use in a New York residence, putting the bulb in a large bowl which held American Beauty roses"

American Beauty roses, with gold fish swimming around their stems and around the electric light. The occasion of this display was a social event.

I installed the second incandescent light in New York in the Madison Avenue residence of Prof. Henry Draper, who was the first man to photograph the moon. He and Mrs. Draper gave a reception in order that people might see this wonderful light that could not be blown out and which did not consume the oxygen of the air.

The United States Electric Lighting Company was a great company, but I discovered, soon after becoming its president, that, although the company had a genius inventor in Hiram Maxim, whose great ambition was to beat Edison, we were helpless



duplication of disbursements, and lack of standardization in manufacture.

At this stage I arrived at the fork of two roads, one of which, in the light of forty-three years' experience, I feel would have led to success—the other was the road to failure. I had had no experience in forming large industrial consolidations—no one else had—and I took the wrong road. The right way would have been to give the general idea of consolidation to a disinterested intermediary, who as a neutral would have commanded the confidence of the manufacturers, and who would have secured all of the facts necessary to formulate a plan. As a disinterested neutral he would have been able to establish intimate relations with each manufacturer and secure his acceptance of the plan.

I succeeded in gathering around one table in my office, Eaton of the Edison Company, Brush, Weston, Thomson, and Houston. I was there not only as president of the United States Electric Lighting Company, but also in the rôle of consolidator which should have been occupied by a disinterested neutral. I thought that I was making great progress, when in reality I was creating conditions that made it impossible for me to turn back and get on the right road.

As I couldn't turn back, there was no other course open to me but to continue my negotiations with the handicap of being an interested party.

#### Edison Resorts to a Parable

EDISON, much more frank than most men, talked to me in a way that gives a good general idea of the attitude of a manufacturer towards a competitor who is trying to bring about a consolidation.

"Flint," he said, "if you wanted to sail your yacht *Gracie* from New York to Newport and make the best possible time, you wouldn't hitch an old scow on behind and tow it, would you?"

"Of course not," I replied.

"That," he said, "is just the way we feel about your company."

I am satisfied that a neutral could have induced Edison to join the proposed consolidation. In answer to Edison's final decision to me as a competitor—"I will not merge my prestige as an electrician with that of any other"—a neutral could have offered to name the consolidation the "Edison Corporation." But had I made that suggestion it would have been interpreted as an evidence of great weakness.

As a result of my failure to bring about an electric consolidation, a long and expensive legal battle followed. We smashed the Brush patents. Edison then endeavored to control the art, and attempted to swamp the United States Electric Lighting Company with litigation, bringing in one day one hundred and fifty law suits against it. After sixteen years' litigation, neither the United States Electric Lighting Company nor any of its affiliated or subsidiary companies ever paid a dollar of damages or costs, nor had it been prevented from making anything that it had found desirable to manufacture. The highest court, after a long, hard battle, decided in effect that Edison was not the inventor, broadly, of the carbon filament lamp. The cost of the patent litigation referred to aggregated over \$2,000,000.

After my failure to bring about the electric light and power consolidation, I made up my mind that I would profit by my experience and endeavor to bring about a consolidation of some of my crude rubber customers, the manufacturers of rubber boots and shoes.

The makers of these articles were in intense competition. Some of them, in order to

survive, were turning out goods of attractive appearance but inferior quality. I told them that there was only one way to settle their industrial wars, and that this was for them to have an absolute identity of interest.

They had previously arranged association dinners in the general interest of the industry, and under the influence of victuals and drink harmony prevailed. Finally Leagues of Peace had been formed to stabilize prices. Every one gave his general approval, but some of them couldn't be seen for dust in their hurry to accomplish the specific act of securing orders.

Price agreements were finally legislated against as contrary to public policy. At that time the evils of extreme competition were so serious, and the economic advantages to be realized by consolidation were so great, that the idea of the formation of a rubber shoe consolidation came about as a natural evolution, although it was delayed for years, as the manufacturers tried to bring it about themselves.

At last, in 1892, several of the rubber manufacturers interviewed me, and I conferred with them separately. I told them that, if they would leave me free to bring about the consolidation, I was satisfied that I could do so within sixty days, but that I would not attempt it unless they would agree not to discuss consolidation with one another. To this they consented. Although I was not successful in dealing with the two most important companies—the Boston Rubber Shoe Company, controlled by E. S. Converse, and the Woonsocket Rubber Company, controlled by Joseph Banigan—I was successful in bringing about the formation of the United States Rubber Company. This consolidation was very much larger than either of the two individual companies above mentioned and it ultimately absorbed them both.

I did not go to see the manufacturers. They saw me. They gave me their detailed statements which I treated as entirely confidential. Then I drew up a plan for the consolidation.

I took options from the majority of the shareholders in each individual manufacturing company, in which options the other manufacturing companies which we expected would form part of the consolidation were not named. Instead I provided that the options would not become operative unless the consolidation started with tangible assets to the amount of \$12,000,000, so that the parties giving options fully understood that the consolidation must include important manufacturers, as tangible assets of this amount would not have been possible unless some of the large companies were included. Under this plan no manufacturing company was absolutely necessary, which materially facilitated the negotiations.

#### How a King Transacts Business

IN 1906, owing to the increased consumption of rubber and the consequent high prices, Samuel P. Colt, president of the United States Rubber Company, asked me to negotiate for the entire output of crude rubber from the Belgian Congo.

Thomas Walsh, the mine owner, who had business and personal relations with the King of Belgium, cabled His Majesty suggesting that he invite me to Brussels. I soon received a telegram from the King's equerry naming a date when Leopold II would grant me an audience.

He received me at his Laeken palace. The King sat in a great chair fronting a great desk. He courteously invited me to be seated and began, in perfect English, a cordial

conversation. It may have been that he expected me to pay him money, and the expected recipient of money is usually courteous—be he of royal or other blood. When we commenced to discuss the rubber business in detail I asked if I might make notes. The King suggested that I take his seat at the table and when he commenced to stand up I thought he would never stop, he was so tall—six feet, eight inches. I felt at ease in negotiation, but respectfully declined to sit on what was about as impressive as a throne. It seemed too much like a part of the Eiffel Tower.

The King never gained a reputation for being a proponent of the Blue Laws or anything of that sort, and the so-called "Congo atrocities" did not elevate him in the world's esteem, but I imagine that his reputation, perhaps, got a little ahead of the facts. I can judge him only from my personal contact with him and have no data on which to base an authoritative report concerning his habits. But I feel a good deal about him as he did about himself.

#### Leopold Proves a Crafty Trader

ONCE when he had been in Paris he had got into the newspapers quite a bit—so much so that when he returned to Brussels an ecclesiastical dignitary told him that from all the reports he had heard the King was not setting the best possible example to the youth of Belgium. The King, so the story goes, heard the Bishop out and then replied sorrowfully: "Bishop, I have heard the same things about you but I never would believe them."

On the occasion of my interview with him, the King had his mind fairly well made up. He suggested with the utmost suavity that my principals should pay an amount equal to twenty times the annual income from the Congo rubber exports.

"Impossible," I answered flatly.

"Impossible?" repeated the King, flashing with a trace of irritation, for royalty is not accustomed to the flat negative. "Mr. Flint, in a complex situation only small men arrive at the impossible."

And then, shrewdly remembering that dignity would not bring ducats, he concluded with a fine sweep:

"But men of the first order of ability work out a solution, and we of course are in the latter class."

We talked and half argued for the better part of an hour. The phrasing of his proposition shifted, but always, when stripped of phrasing, it came down to the same old proposition which I could not accept because it would have been unprofitable.

If King Leopold could have sold the Congo rubber properties on the "impossible" basis which he proposed, it would have added to his reputation as an able man of business, as the price would have amounted to \$15,000,000 more than these properties could be sold for now, or at any time after the development of rubber plantations in India.

After I had organized the United States Rubber Company, nothing succeeding like success, August Belmont asked me to endeavor to bring about a consolidation which would include the New York Belting & Packing Company, of which he was the paternal banker. To do that it was necessary for me to go West.

I took the night train for Cleveland, accompanied by a member of the firm of Evarts, Southmayd & Choate, and an expert accountant. I spent all day at the Cleveland Rubber Works; then all night on a train to Chicago; then all day investigating the Chicago



Rubber Works, and then with all interested parties I went to the Auditorium Annex Hotel. Having in hand the essential facts, I then undertook to "bell the cat." I negotiated until 2 a. m., all next day and most of the next night, then part of the next day.

At the Auditorium Annex the different parties had separate rooms. In organizing it is well not to bring the interested parties together until all have been brought into agreement; for otherwise, some kind of an argument is bound to start, and once an argument gets under way so many ancient grudges pop out that the real purpose of the meeting is soon lost in a general disagreement. It is best to keep the different interests apart, confer with them separately, and hold a general meeting only when all have agreed, and, with an identity of interest, are ready for a love feast.

### A Scotch Story Turns the Trick

AFTER two days and nights of negotiation in the hotel, I had brought into line everyone excepting McClymonds. He was Scotch and insisted on an extra \$100,000 which, if granted, would have satisfied him and dissatisfied all the others. No one knew this better than McClymonds, but considerable hope commonly lurks in the breast of a hold-out.

With matters still unsettled, we left Chicago for New York by way of Cleveland. McClymonds was going to get off there. When an hour from Cleveland we were no further along in our talk than we had been in Chicago. I had to name a final figure and, having in mind the advantage of humor in a strained situation, I said:

"McClymonds, you remind me of that Scotchman who was attacked by a footpad on London Bridge. The footpad was getting the worst of the fight when he was joined by one of his fellows. But the two together were no match for the hardy Scot; then a third came running in and turned the battle. As the trio limped away, battered and forlorn, one of them held aloft the booty: 'A sixpence,' he muttered. 'He'd er killed us if it had been a shilling!'"

I then delivered my ultimatum, which McClymonds accepted. I had my lawyer with me, and there in the sleeping car the agreement was completed, and all signed just a few moments before the train pulled into Cleveland.

I happened in at the Manhattan Trust Company when Mr. John I. Waterbury, its president, and Levi Mayer, the eminent lawyer of Chicago, were busy organizing the so-called "Whisky Trust." They told me that an Irishman by the name of Colonel Harvey, who was in the outside office, was urging them to organize a Chewing Gum Consolidation, and as they were very busy they would be everlastingly obliged to me if I would take him off their backs. Colonel Harvey was sent for, and after we had been introduced I said that I should be glad to discuss with him the advisability of negotiating to consolidate the leading chewing gum manufacturers. He went with me from the Manhattan Trust Company to my office.

Colonel Harvey was the owner and editor of *The International Confectioner*, the leading paper in its field. He was highly regarded by all of the

chewing gum manufacturers, and both of us were disinterested intermediaries. He brought the manufacturers to me one by one, and advised me when negotiating to chew their particular brand of gum. The manufacturers delivered to me confidential statements of their assets, liabilities, volume of sales, costs of production and distribution, and statements of annual net profits for five years.

The tangible assets of the six companies finally consolidated amounted to about \$500,000. The principal asset was trade marks. I capitalized the concern for \$3,000,000 preferred and \$6,000,000 common stock. This was looked upon as an inflated capitalization by those not familiar with the value of trade marks, but I have found in organizing industries that trade marks, when properly protected, are quite as valuable as bricks, mortar, and machinery.

Dividends were paid regularly on the preferred shares, and for ten years the company paid dividends on its common shares at 18 per cent per annum, and the common stock, which I gave to my clients as a bonus with the preferred, sold for a long period at from \$150 to \$200 per share.

I named the company the American Chic Company. This was a departure from my usual custom, as I generally suggested a name that was descriptive of the business;

but about that time a cartoon had appeared in a metropolitan newspaper referring to me, in connection with a proposed consolidation in the milk business, as "Flint the Milkman," and I decided in favor of the word Chic so as not to be called "Chewing Gum Flint."

The good-will of the American Chic Company, on the basis of the marketability of its shares, deducting the value of its tangible assets, was about \$14,000,000, and represented 90 per cent of the good-will of the chewing gum business of the world, exclusive of companies which I later consolidated in the Sen Sen Chiclet Company, which was finally taken over by the American Chic Company.

The wisest opinion given at the first meeting of the executive committee was that of "Doc" Beeman—as he was sometimes called by his friends. This was before the days of prohibition. When it was proposed to secure economies by reducing advertising, Beeman remarked: "I have a national reputation; my face is on every fence in the country, and it mustn't be taken off!"

### Leaving the Door Open for Wrigley

TO PRESERVE the good-will represented by the company's trade marks, which, as I have said, were worth \$14,000,000, was not difficult. It was simply necessary to increase the advertising and make good chewing gum; and there was an ample margin to permit the use of the best ingredients.

The management of the American Chic Company was, on the whole, the worst of any industrial with which I have been familiar, considering the commanding position that it occupied when organized. Instead of paying 18 per cent on \$6,000,000 of common stock annually, a dividend of 8 per cent should have been sufficient, and 10 per cent should have gone into advertising.

At the time of the organization of the American Chic Company, and later when it bought the control of the Sen Sen Chiclet Company, it was the great chewing gum company of the world, and Wrigley was doing about 1 per cent of the world's business. By not advertising, the American Chic Company left the door wide open for Wrigley to enter. He seized the opportunity and strained every nerve to raise money and obtain credit for advertising. At an early period in his successful career, I saw one advertising contract, signed by him, for a half million dollars. The result has been that the American Chic Company's business, including the output of the Sen Sen Chiclet Company, has been reduced to about 15 per cent of the total chewing gum business of the world, whereas Wrigley's business has increased from 1 per cent to over 50 per cent.

I have noted here some of the first attempts which were made at cooperation in merchandising, depending upon the creation of identities of interest. These early cooperative agreements tended to restraint of trade, and they have finally provoked prohibitive legislation. The great advantages to be derived from cooperation became apparent when manufacturing companies were consolidated to reduce the costs of production and distribution, but in the '80's, industrial consolidation was a theory, not a condition.

Editor's Note: This is the final article in the series by Mr. Flint.



"The King suggested that I take his seat at the table and when he commenced to stand up I thought he never would stop, he was so tall—six feet, eight inches"





A course in compulsory golf

# Let's Play, But Play Our Own Game

Being Another Letter to Ed Skinner out in Kensington, Indiana

Washington, D. C.

**DEAR ED:** Why rise up and smite me by letter because I threw off a few casual remarks about your incurable case of golf?

Of course, golf is a good thing. Sure, it's adding to the efficiency and lengthening the life of the business man. Never did I say it was doing anything else. I expect in the near future that every time I run across an account of the man who has just celebrated his 102d birthday, it'll say:

"Mr. Swozzle attributes his long life and his continually good health largely to the temperate use of golf. He still takes his 18 holes twice a week."

I'm not one of those folks that thinks play is a bad thing for the business man.

Old Joseph Pulitzer, of the *World*, has been quoted as saying that one of the regrets of his life was that he never learned to play. I can think right now of a man who really suffers from that same trouble. He's somewhere in his seventies, he's got anywhere from fifty to a hundred millions—more, anyway, than he needs or knows how to spend—and he can't play. His business doesn't really need him. In fact, if he'd start to go around the world on a steam roller, a lot of his associates would caution him not to hurry.

But, as I say, he can't play. Golf bores him. He never goes fishing, his camp in the Maine woods is only a place to go to and come back from, he doesn't collect anything, and there he is, just getting in his own way.

No, sir, play's a good thing; but for Heaven's sake, be temperate and tolerant about play.

The older I get—and I'm getting that way all the time—the more I find that temperance is a great virtue, particularly in dealing with the rest of the world. And intemperance in work is just as much intemperance as anything else—only it ain't so darn common.

I've known men—not many—to kill them-

selves by overwork; but I'll bet just as many and then some have killed themselves by overplay.

I've known food drunkards, and golf drunkards, and book drunkards, and liquor drunkards, and here and there a work drunkard. I'm sure you'll never read yourself into the poor-house, or drink yourself into the mad-house, or work yourself into the hospital, and I hope you won't go foolish on golf.

I'm not going to. No, sir. A modest shot of golf when I'm feeling down in the mouth or I've been too much cooped up; a little golf for sociability's sake; perhaps an extra dose when an old friend drops in to see me—that's my idea. But this golf, golf, golf day after day with extra doses on Saturdays, Sundays and holidays—not for me. Shun the flowing golf bag! At least don't shun, just be reasonable about it.

But you golfers, the real addicts, aren't reasonable. The worst of it with you is that you're not satisfied with overdoing it yourself; you want everybody else to come in. I'll bet if you've said once, you've said forty times in the last three months:

"You ought to take up golf, old man. You need the air and the exercise."

There's nothing golf won't cure, to hear you talk; and I don't mean you personally, but all your kind. You grab your fat friend, and you say:

"Boy, you must take up the game (you never admit that there's any other). That would pull that waist line of yours down about six inches."

And then you clutch some poor, scrawny guy and tell him:

"Eighteen holes about twice a week would put thirty pounds on you in no time."

I'll bet some day you'd tell a postman with sore feet that a couple of rounds of golf after he got through work would fix him up fine.

And what you say, and the unsayable things you think, about the defective who dares to

go to ball games when he might play golf! "Sitting around watching a hired man take your exercise for you"—that's the mildest thought.

Now I know a man who's got a fine working head on his shoulders, a man who has made a scientifically trained mind pay him very large dividends in cash, who says:

"I like to go to baseball games. It rests me. I like to sit and put my mind on something miles away from my usual line of thinking. I like to watch men do things that I can't do. Moreover, there's a poetry of motion in the first-rate ball player that always appeals to me."

But you wouldn't let the poor man amuse himself his own way. You'd have him and everyone else in a golfing chain gang.

I know two men who got automobiles about the same time, a good many years ago. Each was able to do what he pleased, and each bought an expensive car. One of 'em promptly hired a driver and settled himself on the back seat. He said he wanted a car so he could go places and see things. He didn't care what went on under the hood.

The other fellow wouldn't any more think of letting his chauffeur drive when he's around than he would of hiring a man to eat for him. "What," he says, "is the sense of having a plaything if you can't run it yourself?"

And there you are, and each of them, I think, suspects the other one of being a little unsound in the head.

My idea is to let the other fellow have his hobby and enjoy it. It may look foolish to you, but it's his, and he likes it. It's a kind of insurance against old age. Nothing keeps a man young like something to do outside of work.

There's no telling what form it'll take, that surplus you ought not to put into your business. I know one old gentleman who takes it out in conventions. I know what you think of that. You told me once that the only ex-



cuse for a convention was that you occasionally got a chance to play over new links.

But this old cuss likes 'em, and it does him good. He's seventy or more, head of a big business, and has a couple of sons who can run things. So he takes his wife, travels off to Atlantic City, or Cleveland, or White Sulphur, or wherever there's a convention that has anything to do with his line of business. I'll bet if he wore all the convention badges he's ever collected, he wouldn't need clothes.

And he likes it. Meets some old friends, makes some new ones, hears a speech or two, and once in a while makes a little one himself. I suspect the boys kind of push him

along to conventions. He may be a little tiresome around the office.

In fact, when a man's associates begin to tell him how much good golf or travel seems to be doing him, it may be time for him to look around and see if they aren't putting the skids under him.

You see I'm a liberal chap. I let a man play any way he likes just as long as he plays. He can take up a luncheon club and get foolish about it, or he can pitch horse-shoes if he wants to, or collect postage stamps, but he ought to do something.

No, sir; I like play; and I think one of the best things that has happened in this country in the last generation is golf; but so is

anything that gives a man a change of thought and some interest other than business. But be reasonable about it, Ed.

Remember Lemuel (accent on the last syllable), the oldest one of the Duffield boys? Old Grandpa Alderson asked him one day to come around tomorrow 'cause he had a job for him. And Lem says:

"I dunno". Looks to me like it might be fishin' weather, and I'd kinder hate to waste the day."

Of course, I'd like to have you come east, and I'll see that you get one grand big golf debauch while you're here. Play all day, every day; and if that don't cure you, nothing will.

Yours, JOE.

# The Map of the Nation's Business

By FRANK GREENE

Managing Editor, "Bradstreet's"

IMPROVEMENT was the keyword of the general crop, trade and industrial situation in September, this being coupled with the term moderate as perhaps best descriptive of the movement as a whole.

While the gains in trade and industry noted in August were generally held or further enlarged, there was apparent, however, the feeling that most of the benefits so far visible had gone to the agricultural community, which sold heavily of its grains and cotton and also of livestock at rather good prices.

The railroads, of course, benefited by the enormous volume of grain marketed and shipped, to such an extent indeed, as to offset the delaying effects of the late season, and in some cases, set up new high records of movement to interior markets or to the ports.

There was, however, visible in trade and industry something of the disappointment noted in August at the comparatively moderate response of distributive trade and factory industry to the unquestionably good showing made by the farmers. This was in somewhat marked contrast to the showing made one and two years before when the advances made by trade and industry were rather decidedly better than were shown by the farmer whose financial returns were at variance with those made by other classes of the community.

## No Buying Boom Visible

SO FAR as the effect upon regular fall jobbing and retail trade is concerned indeed the best reports come from those states west of the Mississippi, from Texas to the Canadian border, in which wheat yields were largest. Even there, however, it was noted that while a big volume of old debts was cleared away and a good deal of new buying done, the purchasing was deliberate and there was nothing approaching a boom visible.

The south benefited from cotton sales after the rally from the year's low prices touched in mid-September and another impulse was given to buying late in that month following new peak prices for wheat and rye and excellent prices for oats, old corn, cattle and hogs, the latter selling at the highest price for two years. Still, the response as a whole was not quite up to expectations.

In industry the reaction was hardly as great as anticipated. Iron and steel capacity did not rise above 55 to 65 per cent, automobile output, closely predicted on sales, did not equal that of August, cotton goods were unsettled by the gyrations of raw cotton and the petroleum, copper and lumber trades did not rally as expected.

The shoe manufacturing industry and kindred lines, however, improved and coal buy-

ing and output expanded each week from early August to late September. In distributive trade it seemed as if earlier anticipations had been keyed too highly.

The fact was as regards both trade and industry that buyers generally seemed to believe that they held the whip hand and that there were plenty of goods to be had when, if, and as, needed. The imminence of the election, the fact that there was a good deal of unemployment during the summer and the uncertainty as to costs and prices, were all cited as reasons for going carefully.

In any event there have been enough cross currents to give pause to sunshine hunters and keep business on about a fair basis, with industry expanding a little but with a big reserve capacity not as yet called into play. As regards this reserve capacity, it is well to note that good steel trade authorities reckon present percentages of capacity operations as little below the average of that ruling since the big war closed.

With all the drawbacks, however, it is worth noting that the statistics available point to a pretty big business doing in September and the first quarter of the present fiscal year. Despite the gain—11 per cent shown by leading chain stores and mail-order houses in August—the Federal Reserve Board reported that neither wholesale or retail trade in that month equalled a year ago.

The preliminary returns for mail-order houses for September show a gain of 20.5 per cent over September last year while chain stores gained 11.7 per cent and the two combined gained 16 per cent. For nine months of the year, the combined mail-order and chain-store sales, exceeding \$539,000,000, show a gain of 10 per cent over last year.

## Bank Clearings Show Gain

ANOTHER measure of movement showing a good gain is that of bank clearings which for September, the third quarter and the nine months, were the largest for any corresponding year since 1920, when it will be recalled prices were considerably higher than this year.

Failures for September were the smallest of any month since 1920 and liabilities were similarly small. Car loadings for the third week of September this year were second only to those recorded in the last week of August, 1923, and while the grain movement for the week was a shade below the peak, shipments of merchandise and miscellaneous products broke all weekly records. It is

worth noting that car loadings for three-fourths of the year are only 4.4 per cent below the peak total of 1923. Gross railway earnings for eight months were 8 per cent below last year while net operating income was 10 per cent less.

Available price indexes rose for the third successive month during September but here the influence of higher priced cereals, livestock, meats and provisions generally and of textiles, notably raw cotton and wool and cotton goods, was paramount. One and two years ago, the reverse was true and farm products lagged behind all other prices with resulting effects upon the farmers buying.

## Motor Car Output Lags

THE LESS favorable statistics of September and nine months' movement have to do mainly with factory, mill and furnace operations. Pig iron output for September was 7 per cent larger than in August, which was in turn about 6 per cent above July but was 25 per cent below September a year ago and for nine months was the same percentage behind 1923, though 26 per cent ahead of 1922. The automobile trade in September failed to rise to early estimates of production, the total dropping about 2 per cent below August, although still 11 per cent above the low of June. The decline from September last was 16 per cent but for nine months output was 7 per cent below 1923 while 50 per cent ahead of 1922.

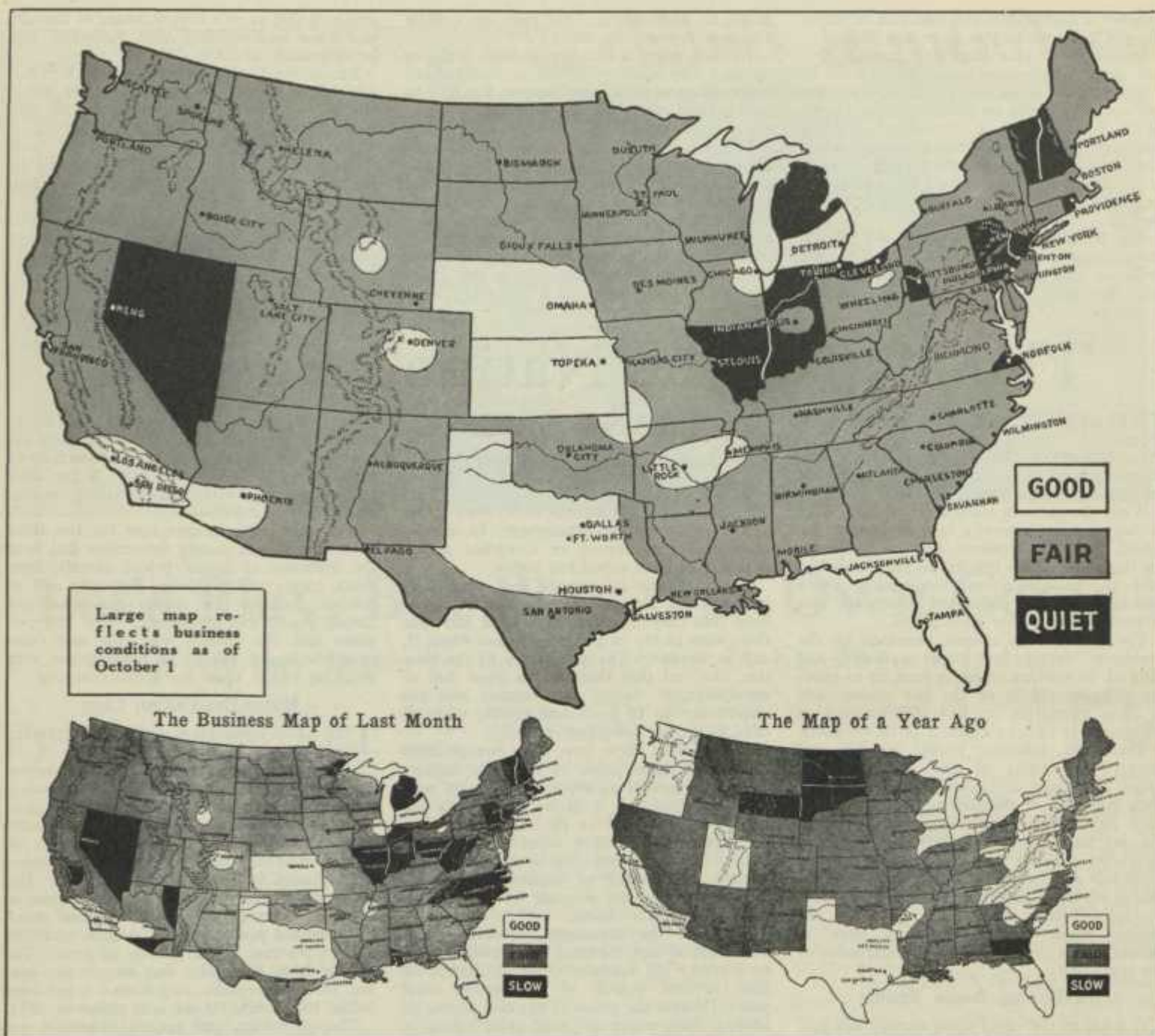
The petroleum and cement industries are apparently at opposite poles of the industrial world. Petroleum stocks were crushingly large and prices both of crude and refined were at the lowest, gasoline being at the lowest in a decade, despite three successive high monthly totals of consumption of this product through the summer. Cement production and shipment (August figures) broke all monthly records but prices were steady.

Another branch of the building trade, lumber, seems to have lagged behind anticipations but still nine months' production was only 4 per cent behind last year with orders 3 per cent less.

September building expenditures (permits) fell behind August by 3 per cent but exceeded September, 1923, by 9 per cent. For nine months' values of building permitted for totaled \$2,458,592,038, a gain of 6 per cent over the record breaking 1923 total.

Aside from some slight changes upward in spring wheat estimates and for a tendency to look for much smaller yields of tobacco and corn, the general crop situation did not change greatly in September. As already foreshadowed, no bumper crops were indicated, the prospect being for more wheat, oats, rye, white potatoes, flaxseed and cotton, but con-





siderably less corn and tobacco than in 1923, with about the same yields of hay, barley, rice and peanuts indicated.

Where smaller yields were forecast price movements seemed to more than discount lessened outturn. In the case of corn prevailing estimates of a 17 per cent decrease in yield were balanced by a 40 per cent advance in price. This would seem to put low-priced hog products out of the question despite a big lot of soft corn due to frost damage in late September and early October in the northern part of the belt.

An indicated 24 per cent gain in cotton yield more than balances a 7 per cent decline from a year ago's prices as of October 1. Tentative oats yields, with prices, were higher than a year ago and a wet harvest in Europe caused intense activity in wheat late in September and early in October.

The domestic yield of wheat is probably 10 per cent above last year but the price in early October was nearly 30 per cent above last year. After three years of declining exports, wheat shipments in August were heavily in excess of the year before and early September export returns pointed to nearly double

the shipments in quantity with an even greater gain in value of exports for the month over the like month of 1923.

After reaching the highest average price in late August recorded for railway stocks since the late summer of 1922, these securities have since declined about \$4 per share. Industrials dropped about the same amount from the high of August, which tied the high average of March, 1923. Unlike the railroads, industrial stock averages have never equalled the high points of 1919 or of 1920.

Regarding the changes in map colorings shown in September from August, it will be noted that the most marked lightening effects are visible in the case of Nebraska, part of Arkansas, southern Ohio, West Virginia, North Carolina and eastern Massachusetts. In Nebraska a good wheat crop sold at high prices, plus a corn crop 80 per cent free of frost, has stimulated trade. Here, however, as in the states north and south from Nebraska, the trade expansion has been cautious, perhaps the safer for this fact.

Trade improved in southern Ohio in September, a not inconsiderable influence being the slightly better condition in the soft coal

industry. More activity in textile and shoe manufacturing is reflected in the lightening of color in eastern Massachusetts.

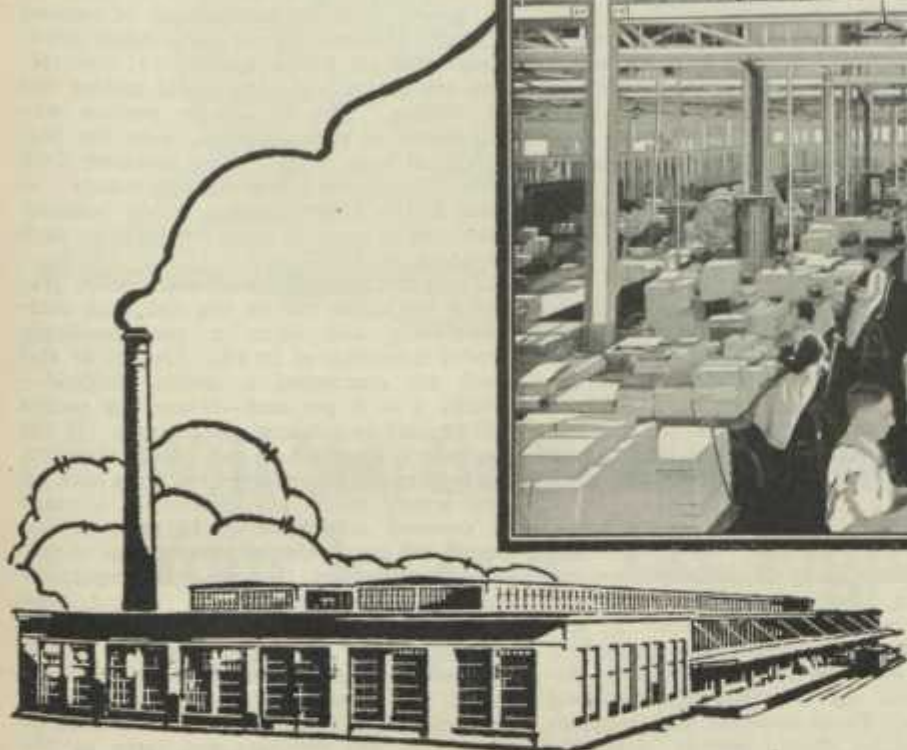
While rainy weather hurt trade and crops in the southeast generally the lightening of color in North Carolina seems justified by the reports of increased activity in that state's factories. Improved export trade in grain and cotton is reflected in better reports from Galveston and Mobile. The shading in east Texas is attributable to effects of drought in August. In California the marketing of smaller crops at values equal to a year ago has helped to lighten the black patch in the central part of that state.

A good cotton crop in Arkansas has widened the white area in that state. The black has entirely disappeared from Minnesota around Duluth where good crops have offset the slowness still noted in the iron ore areas. Early October reports were of immense quantities of wheat awaiting lake shipment.

The abandonment of the Pittsburgh plus basing price is partly responsible for the less buoyant tone in that district. Activity in the tire business explains the coloring in and around Akron.



# Big Business Builds The Ferguson Way



*The N. C. R. print shop is 150 x 540 ft. Like all Ferguson-built buildings, its interior is light and well ventilated and with an unusual amount of unobstructed floor space.*

## "We wouldn't change a foot of it"

Five years ago when its huge Ferguson-built print shop was new, the National Cash Register Company advertised it as "one of the largest and best private printing establishments in the world." Today, after five active years of service, they say—"We wouldn't change a foot of it."

This building was Ferguson's first order from the N.C.R. Since then he has built three other buildings for the same customer.

The National Cash Register Company is one of many of America's great industrial concerns who, when they have considered building, have naturally turned to Ferguson. Experience has taught them that Ferguson's designs are modern and correct—that Ferguson's prices are comparable with those of local builders—that Ferguson will deliver the finished building before the average architect has even completed the plans.

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# Ferguson

## GUARANTEED BUILDINGS



# Things to Tell Your Men

By GEORGE E. ROBERTS

*Vice-President, National City Bank*

## VIII—Stocks and Bonds and Brokers

WHERE do the people live who ultimately buy most of the stocks and bonds of the United States? To what part of the country do business men and bankers turn for the greatest portion of the funds with which to build factories, sink mines, erect buildings, and carry on the many expanding activities of business?

To Wall Street? Not at all. Wall Street is where the big banks, the brokers and bond houses have their offices, but Wall Street is not where the people who finally buy bonds live. Most of them live in the industrial and agricultural states of the Middle West. The retail center for securities is not New York, but Chicago.

What does this mean? It means that the rich men—the big financial institutions, like the banks and trust companies—do not own the country's industries, railroads, and mines—or finance their development. These are owned and financed by the great body of the people—by wage earners and farmers—by men and women—by clerks, lawyers, doctors, manufacturers, and merchants living all over the United States.

Laboring men as a group have an important part in the ownership of industry. There are, for example, more than 600,000 customer-owners of the light, heat, and power companies of the United States. Many of these persons are wage earners. Labor unions have their own banks and investment companies. More and more large corporations are distributing stock among their employees.

Working men are interested, therefore, in how business is financed because they are helping to finance it. They want to know more about the financial system both for the information itself, and also because they are a part of the system. Financial understanding helps them better to safeguard their savings and also to employ them to more profitable advantage.

### Investment a Transfer of Funds

WE SAW in an earlier chapter that all the funds used in business are employed by enterprisers, who are the business men who direct and control production. When enterprisers spend money for plants, machinery, raw materials and other purposes, they *invest* it. Their act of putting funds to productive use is *investment*.

This is slightly different from the common use of the term. We often say that when a man buys a bond he "invests" in it. As a matter of fact all that has actually happened is the transfer of funds from the buyer to the seller. Money to be invested must go for concrete things. You may buy the stock of a light and power company, but the company does the actual investing of the funds. It does it when it uses them to lay new cables, build new central stations, and install new power lines.

As a matter of fact, the company itself does not invest the actual money which it receives from you. It uses this money to gain command of the labor of workmen, and of supplies of raw

materials. These are the things that really are invested. The funds are merely a means by which the enterpriser gets possession of the labor and raw materials to employ them for productive use.

There are two chief purposes for which business men use the funds that they command; one is for the purchase of permanent equipment—plant, tools, factories, machinery, and the like; another is for the materials used to manufacture finished products, and for accumulating stocks of such products. Both are forms of capital, the difference being in the length of time which each lasts.

An electric motor or a power line lasts for many years. Funds obtained for purchasing these things must come from people who will give up their funds for a long time. Such things constitute the *fixed* capital of a business.

### What Circulating Capital Is

THE RAW materials which enter into manufacturing, however, are quickly used up. Manufacturers may borrow money to buy steel, rubber, and lumber, but in a few weeks these will have been converted into finished products, sold to consumers, and paid for by them. Funds used for such purposes are employed for shorter periods. Normally they are released relatively quickly. They are termed the *circulating* capital of a business.

Fixed capital and circulating capital both are necessary and are usually supplied by different agencies. Circulating capital and funds used for short periods ordinarily are supplied by commercial banks—those institutions where business men have "checking accounts." Just how these banks operate we shall consider at another point. Our attention now will be directed to the agencies that supply fixed capital. Since the chief form of business organization seeking such capital is the corporation, we shall begin by considering how corporations are financed.

The simplest way is through the sale of common stock—which means that each stockholder has a definite share or part in the business—exactly the same as though he and the other stockholders should get together and divide it up among themselves. The shares, however, are in units of a definite amount—usually \$100—and the amount of each stockholder's ownings is determined by

the number of such shares he holds. Since the owners of common stock control the business, they naturally take practically all the risk, and divide all the profits, if there are any to divide. They are really the enterprisers in the business. There are certain kinds of business

that are financed entirely by common stock. Practically all highly speculative undertakings are so financed—like metal mining and oil drilling. This is because persons who will invest in such securities want the possibility of large gains. Since common stock gives them the largest opportunity to share in the future earnings of the business, this form of stock is most attractive to such investors.

There is another class of stock called *preferred* stock that carries less risk than common stock and offers a correspondingly greater assurance of return. Owners of this stock are guaranteed a certain dividend—usually 7 or 8 per cent—before any profits will be paid to common stockholders. If the company is dissolved or goes into bankruptcy, the holders of the preferred stock get back all their money before any distribution is made to common stockholders. If there is not enough left to pay the full amounts due to preferred stockholders, they get back proportionate amounts of whatever can be paid, even though nothing is left for the common stockholders.

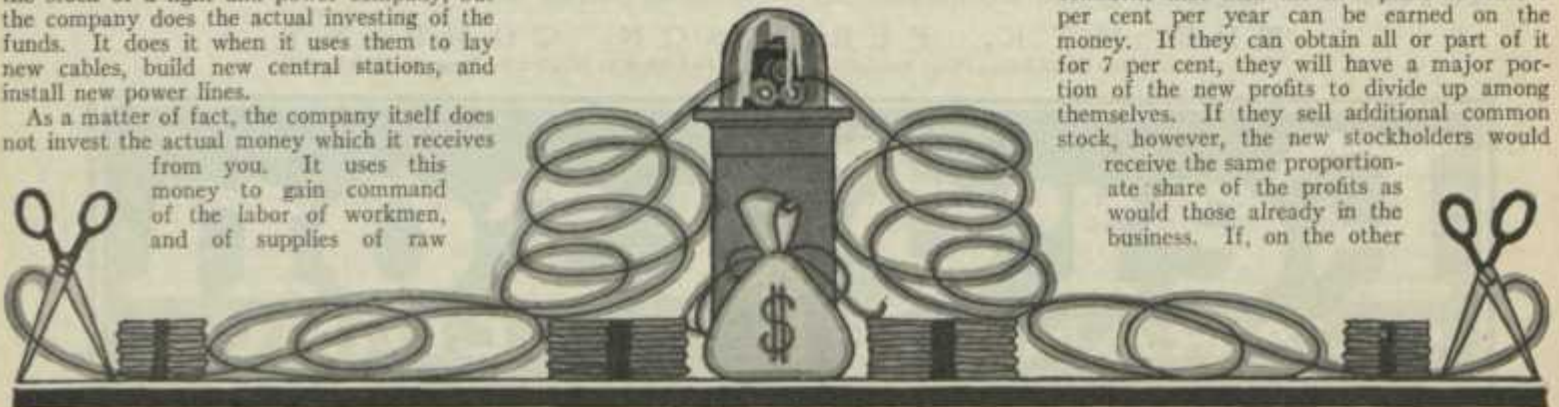
In cases where preferred stock has been issued, the control of the company rests ordinarily with the common stockholders. They elect the directors and carry on the business. The bulk of the profits that remain after the preferred dividends have been paid are also controlled by the common stockholders.

### Money to Expand a Business

THE PREFERRED stockholder does, however, have definite risks. Perhaps the corporation may not earn enough to pay even the nominal dividends carried by the preferred stock. In that event, the preferred stockholder is "out." The preferred stockholder cannot close up the business or seize its assets if it fails to make money.

Thus he may lose both his original investment as well as his dividends. Because the risk of owning preferred stock is greater, it ordinarily pays a higher rate of return than is paid by high-grade bonds.

When is preferred stock issued? Usually when the common stockholders have great confidence in the future of the business. Suppose, for example, that \$200,000 is needed for the expansion of a manufacturing plant, and that those who own the common stock are confident that with the new plant at least 5 per cent per year can be earned on the money. If they can obtain all or part of it for 7 per cent, they will have a major portion of the new profits to divide up among themselves. If they sell additional common stock, however, the new stockholders would receive the same proportionate share of the profits as would those already in the business. If, on the other







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hand, the expectations of the promoters should fall short, and there would only be a small profit made on the business, the dividends on the preferred stock would have to be paid regardless of the profits that remained. If there was nothing left for the common stockholders, the preferred stockholders would receive their dividends just the same.

There are variations in the form of preferred stock; some of it carries a right to a further share in the profits of the company after a certain dividend has been paid to common stockholders. Sometimes both preferred and common stock are sold together, the common being given as a bonus with the preferred stock, or sold in a unit with it at a certain price. These combinations and variations permit corporations which need funds to meet the particular requirements of various types of investors. They result in more funds being obtained for the service of industry.

Bondholders differ from holders of preferred and common stock principally in that their risk is still further reduced. The bondholder is entitled to his return whether or not the corporation earns anything—and he has a right to force the corporation to pay. If it does not, he can take over the business. He also is guaranteed the return of his money at a specified time.

The bondholder is really a lender. He lends on the familiar "bond and mortgage" that is used in real estate transactions. A corporation that plans to issue bonds, gives a mortgage on certain of its property, which mortgage is to be cancelled when the sum borrowed is repaid. The borrowing corporation then bonds itself to repay the sum specified.

A mortgage cannot convey the title to a piece of property to more than one person, yet the funds which the corporation seeks to borrow must come from hundreds and possibly thousands of investors. To protect each of these individuals, therefore, the bond is separated from the mortgage, and the mortgage is issued to a disinterested third party, like a bank or trust company. The bond is then divided up into units of \$100, \$500, \$1,000 or higher amounts, and these are issued separately to lenders. Each bond in reality represents a fractional part of the mortgage.

Corporations issue bonds for the same reason that preferred stock is issued—because those in charge of the business are confident that they can earn larger profits than are represented by the rate of interest to be paid on the bonds. Bonds usually carry a lower rate than preferred stock—often as low as 4 per cent—which means that common stockholders have still a larger chance of increasing their own share of the profits when bonds are issued than they have after issuing preferred stock. But although their chances for gain are greater, the risk to the common stockholders also is increased. If interest is not paid on the bonds as due, the bondholders usually can foreclose the mortgage, and thus take the control of the business out of the hands of the common stockholders.

From the corporation's point of view, the danger to be guarded against in issuing bonds, stocks, or other securities, is overcapitalization. The corporation must be careful not to overestimate its earning power, especially in years of unfavorable business conditions. The investor, on the other hand, must avoid the same danger. He must be sure that the outlook for earnings is such as to warrant the investment. Even a bondholder is in position to suffer if his calculations in this regard are wrong. For although he has the added protection of a mortgage, at the same time if

the corporation gets into difficulties and cannot pay its interest, the bondholder to protect himself must become as one of the owners of the business. He must manage it and operate it and assume all the added risks and responsibilities that this implies. Presumably it was in order to avoid just such risks that he bought bonds rather than stock in the first place.

To assist and protect both the corporation and the investor, an important group of financial agencies have come into existence whose work should be clearly understood. Chief among these are the *investment bankers*. The investment banker exists because he has a specialized knowledge of securities themselves, of the conditions surrounding corporations, of the market for securities among investors, and of the requirements of investors. It is particularly this knowledge of investors and their needs that the "blue sky" promoter urges the unwary to avoid, when he makes such statements as "banks want you to play along with a measly 4, 5, or 6 per cent when we can show you profits on this stock of 10, 15 and 20 per cent."

The investment banker serves the seller of securities by purchasing at a guaranteed price whole issues which he then distributes to the investing public. Thus he provides corporations in need of funds with a ready market for their bonds, stocks, and notes. He frees them from the expense attached to the sale of their own securities, and from the uncertainties of finding a ready market.

He knows the types of securities that will command the readiest sale and also the type and rate of interest that will be most favorable to the borrower. He can save the borrower money, for example, by preventing him from issuing bonds at high rates for long periods, when lower rates are to be anticipated later.

Since the investment banker can only serve the borrower by commanding a following

among investors, it follows that his life and future success depend upon retaining the confidence of the investing public. This he can do only by serving it well and by safeguarding its interests. This means that the investment banker scrutinizes a security very carefully before giving it his recommendation. He not only takes every precaution to protect his customers but he studies their particular situation and requirements so as to help each get the combination of security and return best suited to his interests. He keeps the investor informed of facts pertaining to security issues and to the general financial situation, and advises him of movements in particular securities that may be to his advantage.

A chief reason why the average small investor benefits from the services of the investment banker is that corporations are sometimes organized solely for the purpose of selling securities and making profits for the promoter, and not for building up a business itself. Clever salesmen can misrepresent the facts because they are dealing with matters that cannot readily be checked.

There are laws which can afford some protection to the public by requiring that securities be issued only in return for property or for services of tangible value, and that selling organizations be licensed, and have certified the legality of their offerings. All these requirements may be observed, however, and still there is no actual guarantee of the actual worth of the investment itself—no indication, for example, of the competency of the company's management, the soundness of its business plans, or the conditions in the markets which it proposes to enter. These are things which the investment banker looks into carefully. His business is to study them. This explains why his services are especially valuable to the man or woman of limited experience and means.

## It's Dull—Just Earning Bread

By WILLIAM FEATHER

ROBERT LOUIS STEVENSON once said: "We don't live for the necessities of life. In reality, no one cares a damn for them. What we live for are its superfluities."

If a man has one can of beans, he won't work overtime in order that he may enjoy two cans.

On the other hand, many men will get along on half of a can of beans for two days in order to save up money for a broiled lobster on the third day.

I suspect that many of us have the wrong slant on the luxury business in the United States. A favorite occupation with economists is totaling up the expenditures for luxuries, and then drawing the conclusion that if this money were wisely spent everybody could own a little cottage on a shady street, and grow geraniums in window boxes.

Perhaps that is your idea and my idea of a sensible way of living, which merely proves that we are out of step.

To assume that the American people would work as hard as they do if every third or fourth family did not own an automobile, reveals a lack of understanding of human nature. The reason men hustle, the reason both wives and husbands work, the reason we get up when the alarm clock rings instead of going back to sleep, is because we can't support our luxurious follies unless we do.

One day a man asked me to lend him \$150 so he could buy a second-hand automobile. He had no cash surplus himself. He

was living with his wife in a furnished room. He was making \$30 a week and she was making \$15. He proposed to pay back the \$150 to me at the rate of \$5 per week. I told him it would cost at least \$5 a week to operate his car, making a total expenditure of \$10 for something which had never before been included in his budget.

"If you've never been able to save money out of your income in the past, how can you expect to meet this additional expense?" I asked him.

"Oh," he said, "we can cut down our other expenses. Furthermore, I expect to get a raise soon, and so does my wife."

I didn't lend him the money, but I saw his idea.

Few people are able to get a thrill out of merely saving money. Few men or women are able to work hard unless they have something to work for that gives them a keen sense of satisfaction and realization.

In no other place in the world does the ordinary man have so many tantalizing possibilities for enjoyment open to him, as in the United States. Workers in other lands see no hope of satisfying any desire except that of the stomach. With a little extra effort the American worker sees the actual possibility of driving across the country in his own automobile. He makes the effort. He does his job better and faster than any other worker in the world. Take his luxuries away from him and he would say "What's the use?"



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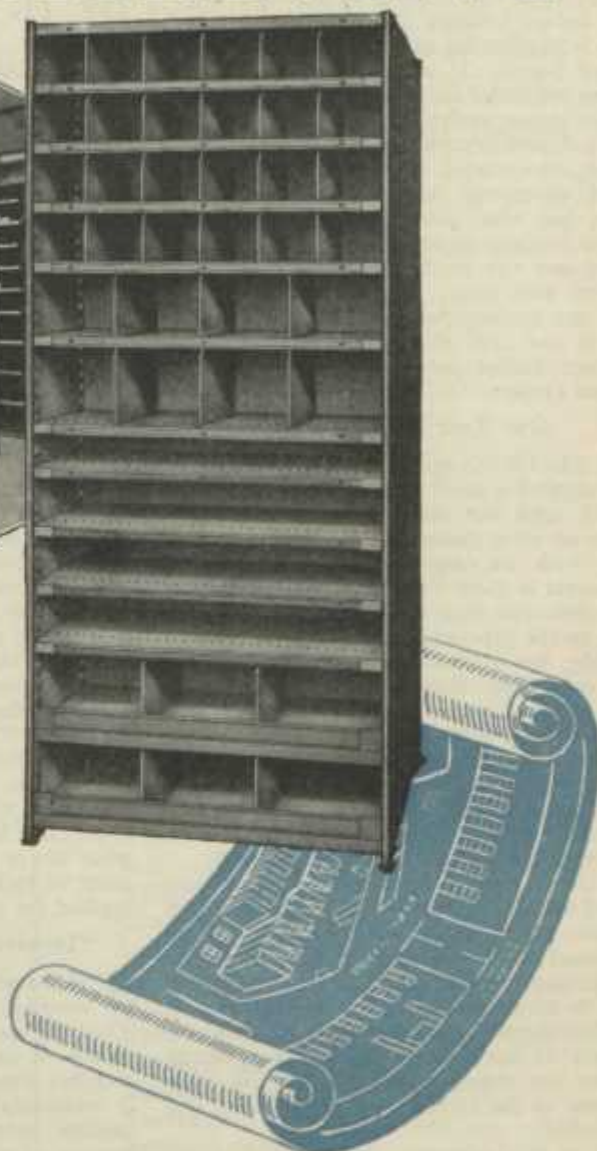
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# Why and When to Patent Abroad

**T**O TEST a market in a small way before jumping into it with both feet is usually an excellent policy in the United States. It is dangerous so to test a foreign market if the product is one that needs foreign patent protection. Consider the plight of the American manufacturer of an electrical device, who started out with no idea that he would ultimately wish to go after export trade, but who, after several years of successful business in the United States, decided to try out the market in foreign countries, starting with Italy. He planned to make a small and inexpensive test first, with the idea that if the test showed promise he would take out Italian patents and enter the field in good earnest.

## Our Test Method Fails

**H**E SECURED agents in Italy, to whom he shipped a small trial order. The device filled a need and the trial order sold. The agents at once placed a large and attractive order with the manufacturer—cash against documents in New York.

He felt now that he would be justified in going to the expense of patenting his product in Italy, but it was too late. Because the trial order had already been distributed in Italy, the Italian law prevented him or anyone else from getting a patent.

The American manufacturer could legally continue to sell in Italy, but anyone in Italy could make a device identical with his, and he soon found that he could not compete with the low-priced Italian labor and materials.

He then turned to France as an export market and found that because his device had been in public use in other countries he could not be granted French patents. In fact the use of a device anywhere, or publication of the patent either in an official journal or in the form of an advertisement in a general publication, prevents its being patented in France, except in some few cases, when the benefit of what is known as the International Convention can be invoked.

Bad as this case was, the troubles of another American manufacturer were still greater. Without any knowledge of the patent situation in Spain, he exported his product, an automobile accessory, to that country.

When distribution got under way, action for infringement was brought by a Spanish patentee against the manufacturer and his agent. The law in Spain is that patent infringement when knowingly committed is a crime. In addition, the goods are handed over to the patentee and substantial damages may be collected.

Fortunately he was able to show that the infringement had not been knowingly committed, and by paying the Spanish patentee a good round price he was able to get out of the mess. It is not at all unusual for American manufacturers to sell in a foreign country, not only with complete ignorance of the patent laws, but even without making any effort to find out whether patents have been granted to someone else on the device. From their actions many Americans seem to believe that patents are a purely American institution.

Before citing other instances of complications that may arise in exporting a patented article, I had best explain the International Convention. This trade agreement, which exists among most of the principal countries, permits an inventor, or the company to which he has assigned his invention, to file an appli-

By H. A. TOULMIN, JR.

cation within twelve months of the date of filing in any other Convention country.

Thus if the inventor of a machine filed his application in the United States on January 1, 1923, and publicly used his machine in the United States on February, 1923, he could under the Convention file an application in, say, France any time before January 1, 1924. Without the Convention the public use would have prevented patenting in France.

A case in point is that of an American manufacturer of oil machinery who, after filing his application for a patent in the United States, began to advertise in foreign trade magazines. He at once got most promising inquiries from many foreign countries. Because oil machinery is made in Belgium he felt it would be wise to protect himself in that country and so shut off a potential source of competition.

But publication of a patent anywhere prevents the issuing of a patent in Belgium except under the Convention. Fortunately it still lacked a couple of weeks of being a year since he filed the application for a United States patent. Therefore by dint of a tremendous rush he was able to file in Belgium under the Convention and so get the protection that made his foreign trade possible.

However, the Convention affords no protection if the public use occurs before the application is filed in the United States. Such prior use or publication is usually fatal to the grant of valid foreign patents even if they are applied for under the Convention.

## "Importation" versus "Invention"

**S**OME countries have both patents of "invention" and patents of "importation." They are usually much the same except that a patent of importation indicates that the device has already been patented elsewhere, and it commonly expires on the same date as the original patent. Sometimes a device, which because of publication or public use cannot be given a patent of invention in a foreign country, can be protected under a patent of importation, but it is not safe to take that for granted. Recently, however, a manufacturer of molding machinery who had published his invention was, after some trouble, able to get a patent of importation in Belgium when he neglected too long to get a patent of invention.

Ignorance of the provision that prior use or publication affects the issuance of patents in most foreign countries has cost many concerns their export business. Especially should advertising be thoroughly under control in the early stages of securing patents if the manufacturer is to be fully protected in marketing his product overseas.

The natural pride of inventors and engineers should also be curbed if it leads them to talk too freely. Premature talks before scientific societies and articles in technical trade papers may be safe so far as the United States is concerned, but they may prevent patenting in foreign countries.

In the early days of the airplane, an inventor entered a flying machine embodying a new device in a test in France. No application for patents had yet been made in any country. The device was merely being tried out, but the trial was a public one. In the flying field, reporters gathered around, and

the inventor, as the proud father, was only too pleased to show off his baby and to explain his invention fully.

As a result, a description and crude drawing appeared shortly afterwards in a technical journal which, finding its way to England, resulted in the loss of patent rights in Great Britain. This sort of thing happens often in this country, where inventors can make use of their inventions in public before applying for a United States patent. A patent can be obtained in this country within two years of the disclosure of the invention, but not in most other countries.

Many manufacturers lose their valuable foreign patents because they do not know the various laws requiring them to manufacture in the foreign countries.

## Discoveries Made Too Late

**A**N AMERICAN manufacturer of railway hardware secured French patents. Shortly after, commercial conditions became troubled, so for the time being he decided to let the French situation drift. When after several years he took up the matter again he found that competitors were manufacturing in France, but that under the French patent law he could not export to France without losing his patent. He also found that if he did not manufacture within three years from the date of securing his patent in France his patent would be subject to revocation. Fortunately he had filed his application under the International Convention, and the three years ran from the date of the patent rather than from the date of the application.

His only solution was to make a connection with a French manufacturer for the manufacture of his articles, which then enabled him to maintain his patent and forestall competition.

In France the requirement of manufacture is very strictly enforced, so that it is necessary either to license an existing manufacturer, secure someone to manufacture the product, or set up a plant of your own. In other countries, this regulation is not so strictly enforced, and in the past it has been the practice to make a reasonable effort through advertisement to offer for sale or for manufacture inventions covered by foreign patents.

In some countries, such publication might not be sufficient, but that is a question which is decided in each individual instance and depends upon whether the court can be persuaded that the foreign inventor has made every reasonable effort to manufacture in that particular country and give that country the benefit of his invention.

Germany does not require American holders of German patents to manufacture in Germany.

The British Government in effect says this to the foreign holder of a British patent:

"Mr. Inventor, we have given you a patent and a monopoly. You must make this invention of use to the public by manufacturing, or agree to give others the right to manufacture and pay you a royalty. If you will agree to give others such a right by placing your patent under the License of Right section, we will reduce your taxes as an inducement."

Canada has just passed a new patent law which is very reasonable in its requirements as to manufacturing. It specifies that at the end of three years the Canadian Commissioner can grant a compulsory license under the patents to others, if he is satisfied that the





## What were Your Pay-Roll Losses Last Year? — — the Past Month?

Authorities agree that  $33\frac{1}{3}$  per cent of every worker's effort is wasted. One large-scale Employer gives it as his opinion, based on years of practical study, that every worker wastes \$1.00 each day—in time, materials or energy.

In one major industry the avoidable waste amounts to \$750,000 per day. No business can stand such losses and survive.

Such figures make the thoughtful Business Man ask: "What are we going to do about it?"

Figure up your share of that loss. How much of Wasted Human Energy are you paying for?

That loss can be very decidedly reduced. We are reducing it for others.

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public interest demands it. The new act gives the foreign patentee three years to market his product in Canada, instead of one, which was the previous provision. If at the end of three years he does not wish to manufacture in Canada, he can license someone there, or he can continue marketing the invention in Canada, but his patent may be revoked upon application of another party, unless he can give satisfactory reasons why the invention is not then being manufactured in Canada. It is a fair and reasonable requirement, and one that is not to be overlooked.

Patents taken out under the International Convention cannot be revoked for non-working until three years have elapsed from the date of the grant. After that period a variety of conditions exists. In France and Italy manufacturing must not be discontinued for any two consecutive years, and nothing short of actual manufacture will do in France. In Belgium manufacture must not cease for twelve consecutive months.

In Spain the law as to manufacturing is lenient. The first working must be a practical one on a small scale, and the annual working thereafter may be of a nominal character.

Great Britain does not require manufacturing within any stated time.

Foreign patent laws present many and various peculiarities, which, if not thoroughly understood, may be expensive to American exporters. For instance, under British law the first importer of an invention, even though he is not the originator, is considered to be the true and first inventor if he is the first to make application for a patent.

The salesman for an American manufacturer of a fast-selling toy saw big possibilities in England. He, knowing something of the British law, took a flying trip to London and filed an application for a patent on the toy in his own name. Except for a lucky chance he would have succeeded in his attempted piracy.

But it happened that the manufacturer heard of the salesman's plan a bare two days before the expiration of twelve months from the date of filing the United States application. The patent attorney managed to file a British application by cable, under the International Convention, just one day before the expiration of the time limit. Had the action been delayed another two days nothing could have kept the salesman from obtaining a valid patent under which he could have prevented his ex-employer from selling in Great Britain.

This is because of two peculiarities of British law; first, the doctrine of inventorship by first importation, and second, that fraud committed outside of Great Britain is not a bar to obtaining a valid patent and forms no ground for opposition.

It is well to remember that usually a concern works under a handicap when it has to fight patent causes in a foreign country. Take as an example the German firm which recently stumbled upon the advertisement of a label of considerable merit which had been developed by an American concern. After having found out how the labels were made, the Germans took out a patent upon them. They knew perfectly well that the patent would be void if the American concern could prove that the invention had been taken without permission, but they banked upon the fact that to have a patent declared void is very expensive and annoying to any non-resident.

German patents are usually of a very extended scope which gives them considerable value. The method of interpreting German patents is different from ours. The Supreme Court at Leipzig has very broadly stated that if a manufacturer substitutes one chemical for another and the substitute is at all like the original, infringement will be held. In fact the court is reported to have held that if a German patent calls for a combination of two elements such as a metal label with a paper backing and the infringer only uses a metal label without the backing, this label will be considered an infringement of the patent.

In Germany, if the validity of the patent is not challenged for five years after its issue, it thereafter cannot be challenged at all. Strange to say, however, Germany will not grant patents for chemical products, but only on the process which produces the chemical

way to protect his home markets from the dumping of cheap foreign-made products. The tariff cannot always be relied upon for protection because of the changes that may come in the law as one political party or another comes into power. Also it is much cheaper to stop competing manufacturing at its source than to fight elaborate commercial battles.

While I have stressed the desirability of getting complete protection by means of foreign patents, it is possible to carry the policy to a foolish and expensive extreme. For example, I know a chemical manufacturer who took out patents in nearly every country in the world at an unnecessary cost of thousands of dollars. He even patented his product in Uruguay, a country which could not conceivably manufacture the product nor have any reason to import it.

A patent on a process for making glass would be relatively unimportant in China, although it would be of fundamental importance and useful in Czecho-Slovakia, Germany and Belgium.

It would, however, be more economical to take out patents on certain types of machinery in such countries as Germany and Belgium, and so stop manufacture at the source, than to take out a number of patents in such countries as Morocco, Madagascar, Cape Colony, and the like. Great savings can be made by using good judgment in selecting the proper countries in which to take out patents. As a specific instance a manufacturer of machine tools should take out patents in Australia, Austria, Belgium, Canada, Germany, France, Italy, England and Japan, for all these countries either make or use machine tools and so provide either competition or markets, or both.

It would be unnecessary to patent such tools in purely mining or agricultural districts such as Bolivia, Chile, Ceylon, China, Colombia, Costa Rica, Ecuador, Egypt, Finland, and so on.

In the same way patents on sawmills and on paper-making machinery should be taken out in Finland, Germany, France, England, Japan, Norway, Sweden, Canada and Newfoundland.

The manufacturer of mining machinery should take out patents not only in the principal European countries but also in Australia, Austria, Belgium, Bolivia, Brazil, British Honduras, British North Borneo, Canada, Chile, Colombia, but not in the Argentine Republic, Bulgaria, Ceylon, Costa Rica or Cyprus. This method gives protection where protection has business values.

The foregoing lists are not exclusive or inclusive, but are sufficient to illustrate the general rule that it is not worth while to take out patents in countries which can neither make nor use the devices.

Manufacturers often have the mistaken impression that it is necessary to have fundamental or broad patents in the United States before it is worth while to take out patents in foreign countries. On the contrary, the most successful American manufacturers take out a plurality of detailed foreign patents, all directed to a common end, in order to prevent the importation of competitors' goods in a foreign country. The greater the number of patents the greater are the difficulties in the way of prospective infringers and importers. It is best to scare them off before they involve you in litigation.

### Four Rules on Foreign Patents

1. Even though you do not expect to invade foreign fields, take out foreign patents just the same, for you may change your mind.
2. Take out your foreign patents at the same time you patent the article in the United States.
3. Take every precaution that the device is not used in public, advertised or described in public before application has been made for all foreign patents.
4. Choose the countries in which you take out patents with good judgment, considering the possibility of the device being made or used there. Protect at the source of manufacture in order to save expense.

product as the patent on the process is regarded as covering the product. Holland, Sweden, Denmark and Norway have a patent system similar to that of Germany.

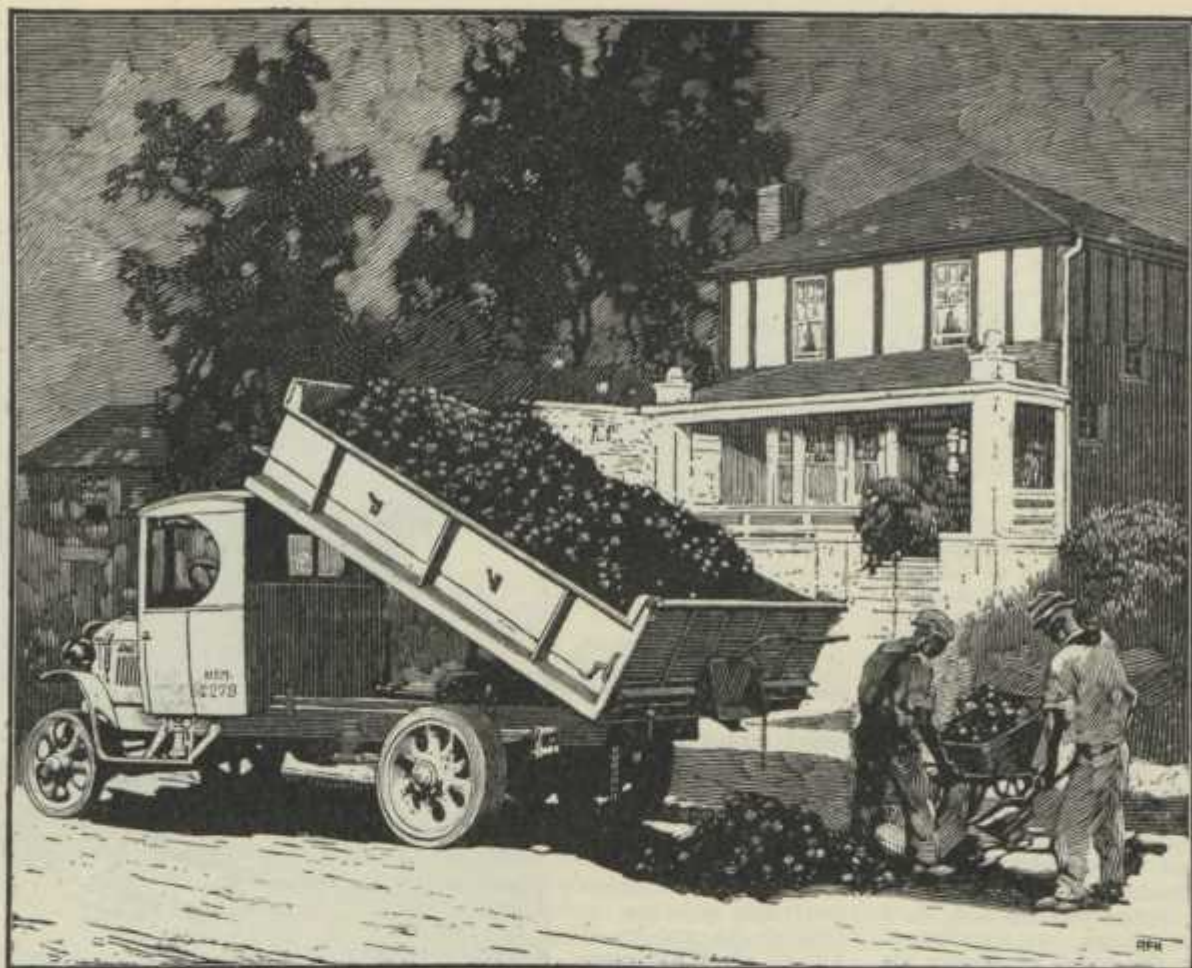
Americans frequently run into difficulties when they try to export to England. There is, for instance, the American patent medicine manufacturer who tried to sell in England a chemical preparation which is made in the United States. He soon found that although the product was not patented in England the process was, and that he therefore could not sell the product in England.

This results in some complications that do not seem just. Thus a dye made in America from an intermediate product which was made by a process patented in England cannot be sold in England. Importation into England would subject the importer to a suit by reason of having infringed the patent process for manufacturing the intermediate product, although the process was not practiced in England.

On the whole it is advisable for the American manufacturer to patent his inventions in the principal foreign countries, even though he may not expect to export to those countries. He may not care to export to Germany, but suppose that he does want to sell in South America. Unless he holds German patents he may find that the Germans are providing him with serious competition in South American countries.

Again, foreign patents provide an effective





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# America Must Find More Nitrogen

By HARVEY FERGUSON

**I**N THE high plateau country of Chile, between the coast ranges and the Andes, lies a desert which is one of the deadest spots on earth. No green thing grows upon it, no living creature is native to it.

And yet this desert has been for a century a primary support of human life in the civilized world. Although science now promises eventually to make us independent of this desert and its product, it is no exaggeration to say that the great expansion of the race which has taken place in the past hundred years would have been impossible without it. And the people of the United States are still largely dependent upon it.

This unique desert is the source of the famous Chilean nitrate of soda—a commodity which is at present the subject of a special investigation being made at the behest of Congress by the Bureau of Foreign and Domestic Commerce.

The nitrate situation and the investigation of it are significant not only because of the importance of wider use of such valuable fertilizing agents as nitrate of soda, and of as cheap a supply as possible, but also because factors controlling the supply of nitrates are typical of those that affect a number of other raw materials which are indispensable to all civilized countries.

The resolution which authorizes the investigation of the production of natural and synthetic nitrates provides also for studies of the sources of crude rubber and of various fibers, especially the sisal from which our binder twine is made. In each case the source of supply is limited and is controlled by a fairly effective monopoly which dictates the price. In each case the United States is a chief purchaser and more or less at the mercy of the monopoly.

Secretary Hoover has repeatedly called attention to these monopolies and to the need of some form of national defense against their exactions. The fair administration of these monopolized, indispensable resources is one of the problems which the civilized world must work out as a part of its reconstruction. It is believed that these investigations will shed much light on the problem and perhaps lead to a partial solution of it. The purpose of this article is to explain the nitrate situation as a typical example.

In order to understand our dependence upon a supply of nitrate, you must know something of the part that nitrogen plays in the economy of the world. The problem of nitrogen comes home to every man because he is partly made of nitrogen. It is reasonable to describe man as a nitrogen compound. The protein of which our tissues are made contains from 15 to 20 per cent of nitrogen. No creature can live or grow without nitrogen.

And it is an abundant element. Eighty per cent of the atmosphere is nitrogen. Twenty million tons of it hang over every square mile of the earth's surface. But man gets his necessary share of this element by a very roundabout process. In the uncontrolled course of nature nitrogen is precipitated from the air by lightning and carried to the earth

by rain and snow, there to be absorbed by the roots of plants. Some leguminous plants, such as clover, alfalfa and cow peas, also have the power of taking nitrogen from the air with the aid of bacteria which live upon their roots. Man obtains his nitrogen by eating plants and other animals.

But when man forces the soil to produce great quantities of nitrogenous crops, such as the cereals upon which he chiefly lives, he exhausts the nitrogen in the earth much faster than the unaided processes of nature can replace it. As population multiplies and virgin soils are exhausted, the problem of food supply becomes more and more that of putting back the nitrogen that has been taken out.

Two other elements must also be constantly renewed—phosphorus and potash. But these are more easily obtained and present less serious problems at this time. The question of food supply is, therefore, largely the question of how to get nitrogen. Manure, tankage, dried blood, and all other forms of organic fertilizer are put on the soil primarily to restore the nitrogen, but this is no more than replacing the waste after the bulk of the nitrogen has been used for human food, and it cannot possibly suffice.

## An Essential Food Element

**T**HE ammonium sulphate, which is a by-product of making coke and illuminating gas, is a form of inorganic nitrogen, which is used for fertilizer, and we have greatly increased our supply of this material by the installation of modern coking ovens, but this again is a relatively small factor in the case. It can never supply our growing need for nitrogen.

As everyone knows, since the great war, nitrogen is the basis of all high explosives and is vital to national defense. It is necessary for various other purposes in the arts and industries. But the thing which makes it immediately and constantly indispensable is its importance as human food. The world never has enough nitrogen. Population always presses upon the nitrogen supply. The relatively low energy of tropical peoples has been explained as due to the fact that the highly nitrogenous foods, such as meat and grain, are scarce in the tropics.

The more nitrogen you have, the more food you can produce with a given amount of land and labor. When a nation has plowed all its virgin soil, the further increase of its food



© The Grace Lag

They blast the surface of the earth to lay bare the caliche beds of the Chilean desert which once produced three-quarters of the world's supply of inorganic nitrogenous compounds.

supply depends upon the use of nitrogenous fertilizers. The principal European countries reached that condition long ago. The United States is just reaching it now.

That is why Europe is making so much more rapid progress in the extraction of nitrogen from the air than is the United States. Europe is strenuously endeavoring to keep its money at home and to encourage new industries by obtaining nitrogen from the air rather than importing it from Chile.

Before the war the long-cultivated lands of Belgium produced more wheat to the acre than any other in the world. The reason was simply that the Belgians used more nitrates. They had to in order to support their population. Holland stood next in production per acre and then Germany. The average German crop yield per acre before the war was more than twice as large as ours. The difference was almost wholly a matter of fertilizer.

For a while the world's need for nitrogenous fertilizer was supplied by the beds of guano, or fossil manure. When this supply was exhausted, it had to turn to the natural deposits of nitrate of soda or saltpeter. Only two considerable deposits of this material have been discovered, those of Chile and of India. The Indian deposits were relatively small and are no longer an important factor in the case. The civilized world for a long time was largely dependent upon Chile for its nitrogen. In 1894 Chile supplied 72 per cent of all the inorganic nitrogenous compounds used.

It would be hard to exaggerate the importance of the nitrates to Chile and the Chilean Government. By levying a heavy export tax on nitrates, the government has derived a





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In the high plateau country of Chile lies a desert which is one of the deadest spots on earth, but a desert which for a hundred years has been one of the chief supports of the human race; for there lies the world's greatest store of nitrates. Once Chile had a virtual monopoly, but today science is finding the way to new sources and independent supply

generous revenue from them for many years. The export tax constitutes over 25 per cent of the cost of producing the exported product.

With the revenue it derives from this source the Government has built railroads connecting its principal towns, has supported an efficient navy and army, maintained its diplomatic missions, and in general has kept up a governmental organization which might otherwise have been beyond its means.

#### Nitrate Governs Chilean Prosperity

THE private capital brought into the country by the nitrate beds has enabled Chile to develop industries in the hands of her own nationals which, in other Latin American countries, are controlled by foreign capital. So large a share of government revenue coming from nitrate has permitted Chilean landowners to escape with nominal taxes. At the same time, Chilean prosperity is wholly dependent upon the nitrate industry. Chilean exchange rises and falls with the price and the volume of exports of this one commodity.

The story of Chilean nitrate has been that of two parallel developments. The price and production of nitrate have been subject to a steadily tightening control by the organized producers and dealers. At the same time, the world has been struggling with increasing success to make itself independent of the Chilean product by developing other sources of nitrogen.

The increasing production of ammonium sulphate as a result of increased demand for coke and improved methods of making coke first cut into the Chilean monopoly. The second factor was the making of nitrogen from the air, developed first in the Scandinavian countries. By 1913 Chile was producing only 56 per cent of the world's inorganic nitrogen.

Then came the war, cutting off Germany and Austria from the Chilean nitrate supply. Germany had laid by thirty million dollars' worth of the Chilean product. But for this the war would have been over in a few months. Germany could neither have fed her people nor made munitions. At it was, this

reserve tided her over until she had perfected methods of making nitrogen from the air.

She used at first the cyanamid process and then developed the Haber process, which she is using today. This process is highly efficient. Germany is not yet producing all of the nitrogen she needs, but it is asserted by the Germans and admitted by the nitrate producers that when German industry and finance have been stabilized, Germany will not only produce all the nitrogen she needs, but a surplus for export as well.

Germany, Norway, Italy and France are conceded to have established the extraction of nitrogen from the air on a commercial basis. Europe is probably in sight of an independent nitrogen supply. But in the United States the manufacture of nitrogen compounds is still a negligible factor.

This country therefore remains dependent upon Chilean nitrates, and the control of its price and production is to us a vital matter and will be for years to come.

It was natural that the Chilean Government should take advantage of the rich treasure it controlled, and that the producers of nitrate should organize for their common protection. It is not desired to fix blame anywhere, but simply to survey the situation in order to see what can be done about it.

#### British Hold Upper Hand

CHILEAN, British, Slavic, German and American interests own most of the Chilean nitrate business. The Chilean companies control 50 per cent of the production and the British companies 35 per cent, but the marketing of the product is largely in British hands. Men of English blood are stockholders in many of the Chilean companies, and the voice of English counsellors is listened to very respectfully when the Chilean producers' association fixes its annual scale of prices. The principal railways in the nitrate region are English properties, and the indispensable supply of water in some districts is part of English enterprise in Chile.

The organization of the nitrate producers

began in 1889 with the Nitrate Propaganda Committee, which resulted in the formation of a Nitrate Producers' Association. It broke up in 1909, but was revived in 1919. It is said that some of the companies which aspired to independence were brought into the association by threats of withdrawal of police protection and of a discriminatory export duty, both of which threats the producers' association might have carried into effect if the matter had come to an issue. Some German producers held out for a long time, but were finally brought in by the payment to them of a substantial subsidy.

#### Depression Hit Chile Hard

A POOL was then formed in London composed of nitrate dealers who were also interested in nitrate production companies. The members of this pool had previously made contracts for delivery at high prices and also agreements with the producers' association that it would not sell any nitrate below the contract price for a certain length of time.

When the depression of 1920 came along, price and demand fell off, both because of German production of nitrates and because of general tightness in the money market. But the pool succeeded in holding the producers to their agreement, despite much protest in Chile, even long after the contracts for delivery had expired, which most of them did in January, 1921. The producers, unable to sell their product, had to cut operations to a minimum.

The result was disastrous for Chile. Thousands of men were left without work in a barren region. They faced starvation, and epidemics broke out among them. There was also a wave of political radicalism which gave the Government much concern. It shipped many of the men to southern cities and quartered them in barracks; but their condition, physical and political, was not much improved.

Throughout this crisis, which brought Chilean exchange down 50 per cent, the pool refused to modify its price agreement with the



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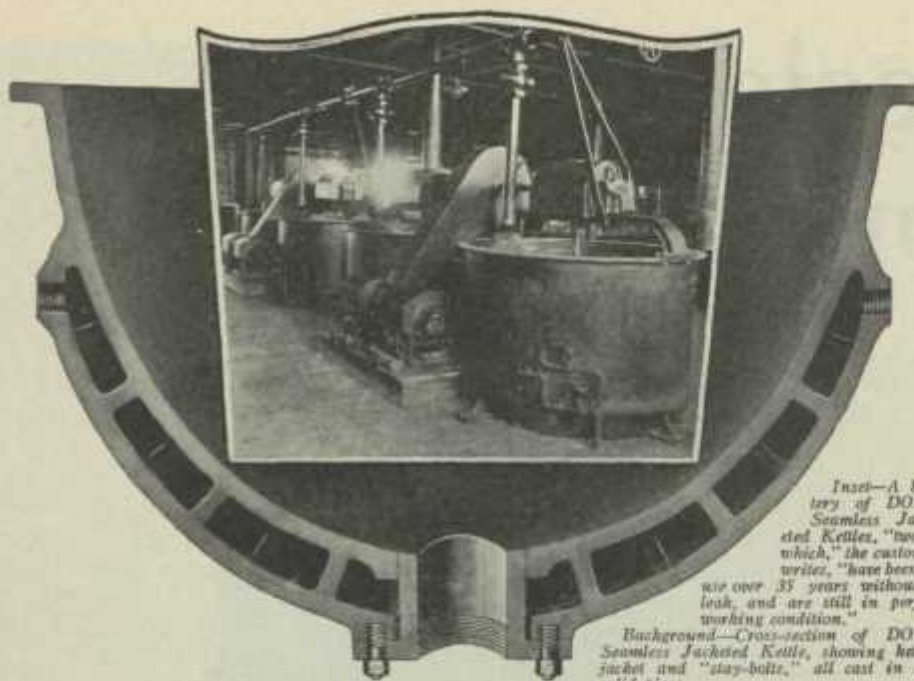
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producers. In 1922 conditions began to improve. Existing stocks were sold and the production of nitrate resumed on a small scale. There were recently about 7,000 men at work in the nitrate fields where during the war there were 60,000.

Finally the producers obtained the right to reduce the price by indemnifying the pool. The present nitrate year opened July 1, 1922, with a further reduction of prices and good prospects for increasing production, but with the producers' association still in complete control.

A few years ago it was generally said that the Chilean nitrate fields would be exhausted before 1945, but this calculation has been revised on the basis of new discoveries. It is now estimated that Chile could supply a normally increasing demand for about three hundred years.

Upon this store of nitrate the United States is for the most part dependent and it cannot be too strongly emphasized that we could use a great deal more nitrate than we do use if the price were reasonable.

Chile, on the other hand, is increasingly dependent upon the United States for its market, which is being steadily narrowed by the growth of the synthetic nitrate industry. Furthermore, both the Chilean Government and the producers have learned of late that rigid price control is not an unmixed blessing for them.

In this situation it should be possible to reach some arrangement about prices which would give the American farmer a supply of nitrates at a reasonable cost, and still give the producers a reasonable profit. It is obvious that this could be achieved by reducing the cost of production of nitrates. Of course, the largest single factor in cost of production is the government tax, and it has been suggested that Chilean finances might be reorganized in such a way that this could be reduced.

Besides this, other production costs are unnecessarily high. Most of the product is still dug by hand and hauled by mules in a region where every drop of water used by men and animals must be freighted many miles. The use of motor trucks and steam shovels would undoubtedly effect a great economy.

Furthermore, the reduction processes used by many of the companies are wasteful. A new process, which salvages a much larger percentage of the nitrogenous content of ore, has been perfected, and its general introduction is expected greatly to lower production costs.

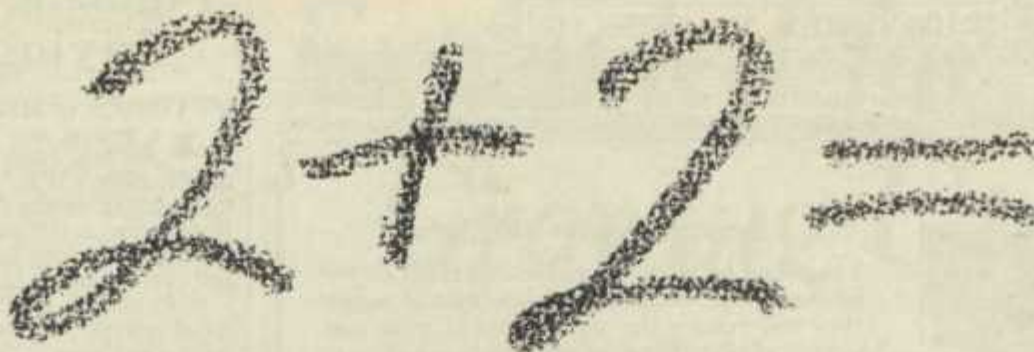
It is believed that the present investigation, by bringing the facts of the situation home to all concerned, may lead to better arrangements with regard to both price and supply in this country.

### The Tax Board Takes to the Road

**C**IRCUIT RIDING on the part of the Board of Tax Appeals which has been created by Congress to hear disputes between the Commissioner of Internal Revenue and people who have to pay federal income and estate taxes may have its hardships for home-loving members of the board, but taxpayers can point out that for years they have had to suppress their home-loving instincts for frequent trips to Washington.

The alternative has been that they would not have their cases heard on the merits. Announcement that members of the Board of Tax Appeals in the course of the next few months will be able to start touring the country, to hear cases, will be welcome news to many a travel-weary taxpayer.





## Nothing Complicated About It

**T**HERE is no mystery or involved engineering about the use of Hyatt roller bearings in mechanical equipment.

It is simply a matter of placing anti-friction units of correct design and high grade steel at the bearing points where dragging friction and destructive wear take place when plain bearings are used.

Hyatt bearings eliminate plain bearing friction and provide strength and rolling motion, with the result that shafts and wheels turn easily, saving power, greatly reducing lubrication requirements and adding to the life of the equipment by reducing wear to a negligible item.

That is simple enough, isn't it? The use of Hyatt bearings in the equipment you use, and in that which you manufacture, insures more economical and dependable operation.

When your engineers specify Hyatt roller bearings they are preparing for present and future satisfactory performance.



**HYATT ROLLER BEARING COMPANY**  
NEWARK   DETROIT   CHICAGO   SAN FRANCISCO  
WORCESTER   PHILADELPHIA   PITTSBURGH  
CLEVELAND   MILWAUKEE

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**HYATT ROLLER BEARINGS FOR ALL MECHANICAL EQUIPMENT**

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## TAYLOR-WHARTON IRON &amp; STEEL CO.

TIOGA STEEL &amp; IRON CO.

W. WHARTON JR. &amp; CO. INC.

PHILADELPHIA ROLL &amp; MACH.



## Seamless Steel Rollers

They may be installed with either roller or ball bearings, and because they are light in weight they will reduce the power cost of your conveyor. It is well known that there is a demand for a roller that will cut down operating power costs. We have information along these lines that will justify your investigation.

These rollers are made in one piece (not welded) and strength is secured where most needed.

Built only to meet customers' specifications.

## Manganese Steel Chain

Tisco Manganese Steel Chain is one of our most staple products. It is made in all standard types and attachments, and also in special designs as may be required.

This chain is of particular interest in industries where the ability to withstand unusually hard wear is needed. Service records in such industries have demonstrated the economy of Tisco chain over and over again.



## Seamless Steel Cylinders

They are made from Wharton Special Cylinder Steel Billets, and undergo six rigid tests during the manufacturing process. They are furnished with or without caps and valves. Deliveries are prompt.

For oxygen, hydrogen, carbonic, nitrous oxide, sulphur dioxide, liquid chlorine, liquid natural gas, etc.

Write us for full specifications, sizes, weights test pressures and prices.



## Special Castings for Any Purpose

**Commercial Steel Castings**—Electric Furnace or Converter Steel. The uniform, flawless casting is what you have in mind when you place your order. You don't always get it. In all industries men are looking for a source of supply of high-grade commercial castings. This company can furnish them.

**Tisco Manganese Steel Castings**—Ordinary metal hard enough to resist abrasion is too brittle. Manganese steel possesses the quality of hardness without brittleness. These castings are adapted to a large range of applications where excessive wear is encountered.



## Taylor-Wharton Iron &amp; Steel Co.

High Bridge, New Jersey

*Sole owner of the Hibbard-Howe Patents covering basic processes for the electric manufacture of manganese steel*

Manganese Steel  
Wearing Parts

Special Truckwork  
Cylinders for Gases

Hammered and Pressed  
Forgings

Rolls and Rolling  
Mill Machinery

Products of the Allied Companies—Catalogs on Request

## Figuring Out City Buying Power

GEORGE Q. MERCHANT has known in a general way who his customers are and how much he sells them. His old reliable "Who's Who," otherwise known as the cash register, checks up. He knows Mr. John H. Customer is still paying for the Ford sedan and the police dog he bought to go with it; and that so long as he is a tinsmith instead of a bootlegger he won't go out of his way to spend money. Beyond that his knowledge is mere speculation.

To supply his lack the Domestic Distribution Department of the Chamber of Commerce of the United States has published a pamphlet, "Population's Purchasing Power."

This report is in line with a previous study "Method of Arriving at the Amount of Business Done in Any Community, Wholesale or Retail," but it is much more comprehensive. Consequently, it will be of infinitely greater service to distributors. It puts at the command of the merchant, wholesaler or retailer, a fund of information which he can use in estimating the amount of business he should do. In the vernacular, "it puts him wise to his community."

Thirty-one cities are included in the survey. It is not asserted that they are the thirty-one most important cities in the United States, although it is likely that a list of the thirty-one most important cities would include most of them. Selection was made of the cities for which were available the statistics necessary for an analysis of this kind, designed to help the merchant who needs information that will move the goods off of his shelves, and which he can apply directly to his own business.

The cities chosen are representative commercial and industrial centers and are well distributed throughout the country. They are:

Boston, Denver, New York, Philadelphia, Seattle, St. Louis, Chicago, Buffalo, Norfolk, Portland, Me., Atlanta, Houston, Detroit, Richmond, Portland, Ore., Cincinnati, Mobile, Memphis, Scranton, Savannah, Kansas City, Baltimore, Jacksonville, Indianapolis, San Francisco, Minneapolis, Cleveland, Los Angeles, New Orleans, Birmingham and Pittsburgh.

Each city analysis is composed of two parts. The first part deals with the population. Figures are segregated by race, sex, nativity and age, so that male and female population, native-born and foreign-born, white, negro and all other races are given separately.

Males and females are listed according to age, as follows: Under 5 years, 5 to 9 years, 10 to 14 years, 15 to 19 years, 20 to 44 years, 45 years and over, age unknown.

Apportionment of the population engaged in gainful occupations among nine lines of commercial and industrial activity is given. The nine classifications are necessarily broad. They include: Manufacturing, trade, clerical, domestic, personal services, transportation, professional services, public service, agriculture, extraction of minerals.

Under the heading "Other Factors" are given the number of retail dealers and wholesale dealers; number of homes rented, homes owned, both free and encumbered; and homes the tenure of which is unknown.

The other part of the analysis shows the per capita expenditures in each city and the expenditures by the total population of the city. Items for which expenditures are shown are food, clothing, furniture and furnishings, fuel and light and miscellaneous commodities.



ties. Total annual expenditure by the total population is, of course, the annual retail business done. Allowing for a spread of 25 per cent between wholesale and retail, it is a simple matter to show the annual wholesale business.

In this part of the analysis there is a departure from absolute uniformity in the treatment of all cities. In some cases figures are given for the "City Proper" and for "Adjacent Territory"; in others the information is confined to the city proper, no statistics being available for adjacent territory. The reason for this distinction is that the territory adjacent to some of the cities was not densely enough populated and therefore, not of sufficient commercial importance to justify a Government survey.

Another reason for lack of uniformity in the city analysis lies in the relative importance of the negro population. Some people think that negroes consume only pork chops and banjo strings, but the fact is that negroes buy the best and the most they can get. In Portland, Ore., the negro population is negligible in number and importance; in Memphis, Tenn., the negro population is more than one-third of the total population and it is therefore, an important factor in the commercial life of the city. Hence, total expenditures by negro families are given separately for all southern cities and for Pittsburgh; for other cities they are not segregated. At the end of the pamphlet the figures of wholesale and retail business are summarized and totaled to give the annual business for the entire United States by geographical sections and a grand total for the country as a whole. These figures include, of course, all cities and not only the thirty-one surveyed in the body of the pamphlet.

It is easy to see the benefit to the merchant in having such a detailed statistical picture of the retail buying community in which he does business. Knowing the amount of business done, he can estimate how much of it should fall to him. He can judge also the opportunity for expansion in the face of existing competition.

The tabulation of population by age and sex will guide him in judging the nature of the demand for goods. The lessening of distinction between the clothes of mature women and children complicates this problem.

All figures for an entire city must be considered in the light of the merchant's own neighborhood. Do his customer's live in apartments or flats; do they carry beaded purses or market baskets, canes or shillalehs? Knowing the amount of retail business and the number of retailers, he can find the average business done by the retailers of his city. How closely his own business approximates this average will depend on the location and size of his establishment.

How many persons are engaged in manufacturing, agriculture, professional service and the other activities in the classification, are important for distributors to know. The kinds of merchandise they buy must be restricted to the kinds in demand by their prospective customers.

To a certain extent the character of a community is indicated by the proportion of homes which are owned. When a home is owned and free of all encumbrances, the owner is in a frame of mind more conducive to spending money for house furnishings than when he is carrying the burden of mortgages. All of these considerations make up a composite picture of the commercial power of the community and remove the operations of merchants from the fog of guesswork into the light of useful information.

# Expended for Growing Utilities

## Over \$100,000,000 a Year Backed by Stone & Webster Experience

### Pioneers for 35 Years



**P**UBLIC UTILITIES are successfully meeting a huge and fast-growing demand for electric light, power and transportation. Practically as old as the industry itself, the Stone & Webster organization has kept even pace with the extraordinary expansion of the utilities for thirty-five years.

### Expenditures \$100,000,000 Yearly

Over \$100,000,000 yearly is expended through the Stone & Webster organization for public utilities construction, maintenance and operation. These activities extend into nearly every important state. The home office directing the financing, construction and operation of properties numbers 1500 people and occupies three acres of offices.

### Operating Managers for 60 Companies

Stone & Webster provides operating management for sixty separate public utility corporations. The record of these properties is an accurate measure of Stone & Webster operating and engineering skill and of the soundness of Stone & Webster financing.

During the war the strength and soundness of the utilities was severely tested. The demand for power rose to unprecedented heights but new financing was impossible. Under these conditions the Stone & Webster companies achieved notable results in maintaining both their physical condition and their record of dividends.

Stone & Webster service is in demand the country over. These facts show its value.

### Construction 2,000,000 Horse Power Reports on \$4,500,000,000

Stone & Webster has examined and appraised properties to the total value of four and one-half billion dollars, including many of the country's foremost public utilities. Its construction of power stations aggregates 2,000,000 horse power.

The systems fed wholly or in part by these stations serve a population of 15,000,000,—twice the population of New England. This includes 7,000,000, served by systems receiving power from Stone & Webster-built hydro-electric plants.

Power construction work in progress is a half million horse power. Three-quarters is for old customers who have learned that Stone & Webster-built stations pay dividends. This is because of the economy for which they are famous, and also because Stone & Webster knowledge based on actual experience of operating sixty widely-distributed utilities is available for extending old systems or planning new ones.

### For Investors

The Securities Department of Stone & Webster rounds out and completes the organization's intimate contact with the public utilities industry. Through its operations in financing properties and handling their securities it provides thousands of individuals and institutions with favorable opportunities to invest their funds in electric light, power and transportation—fundamental necessities of modern life.

# STONE & WEBSTER

## INCORPORATED

DESIGN · BUILD  
OPERATE  
FINANCE

NEW YORK: 120 Broadway  
SAN FRANCISCO: Holbrook Bldg.

BOSTON: 147 Milk Street

CHICAGO: 38 South Dearborn Street  
PHILADELPHIA: Real Estate Trust Bldg.



# World's Tallest Radio Tower

At Haranomachi, Japan, stands a giant radio tower of reinforced concrete, six hundred and fifty feet tall — sixty feet in diameter at the base—narrowing to three feet at the top. Circling this tremendous central tower are thirty-six 250-foot masts. The vast network of wires extending from these masts to the central tower forms the antenna of the enormous Haranomachi station—the transmitting part of the Iwaki station.

Efficient operators are always on watch to pick up San Francisco's signals as they are forwarded through Hawaii.

The establishment of radio communication with Japan through the Iwaki plant is one of the big strides in expanding a world-wide radio service of promptness, accuracy and dependability.

## HOW TO SEND RADIOGRAMS

In New York, Washington, Boston, or Honolulu phone for an RCA messenger.

In other cities—file Radiograms in Europe or the Near East at any RCA or Postal Telegraph office; and to Hawaii and Japan at any RCA or Western Union office.

To any country—and for passengers on ships at sea—be sure to mark your messages

# "Via RCA"

Send Today for Radiogram Rate Sheet

## RADIO CORPORATION OF AMERICA

RCA OFFICES IN THE FOLLOWING CITIES  
NEW YORK CITY

64 Broad St. ....	Broad 5100	6 West 19th St. ...	Watkins 7953
19 Spruce St. ....	Beekman 8220	1824 Broadway ...	Columbus 4311
126 Franklin St. ....	Franklin 2675	51 East 42nd St. ...	Murray Hill 4996
264 Fifth Avenue, Madison Square 6780			

SAN FRANCISCO, 28 Geary St., Garfield 4208

WASHINGTON, D. C., 1110 Connecticut Ave., Main 7430

HONOLULU, T. H., 923 Fort St.

CHICAGO, .....	10 So. La Salle St.	PHILADELPHIA, The Bourse
BOSTON, .....	109 Congress St.	CLEVELAND, .....
NEW ORLEANS, .....	Carondelet Bldg.	SEATTLE, .....
BALTIMORE, .....	Gay & Pratt Sts.	PORT ARTHUR, Tex., Realty Bldg.
NORFOLK, VA., .....	220 Brewer St.	LOS ANGELES, 309 Equitable Bldg.

## Cutting Costs on Steel Buildings

By J. C. BURTON

**P**ROBABLY in your occasional perambulations about the city, you have been fascinated by the high-and-lofty balancing acts and the rivet-catching feats of the structural steel workers.

If so, you may be interested in a few pertinent statistics regarding the pieces of molten metal which these nimble jugglers of the skyline toss about so nonchalantly.

Of the 3,000,000 tons of fabricated steel which the structural steel industry is capable of producing annually, 100,000 tons are represented by rivets alone, or a total of 400,000,000 rivets based on an average weight of one-half pound each.

To the man who buys them, the man who foots the bill for your free open-air vaudeville show, they represent an outlay of from 10 to 20 cents each for locating, punching, assembling, heating and driving home; consequently, to put the 400,000,000 rivets to work entails a total expenditure of anywhere from \$40,000,000 to \$80,000,000.

A small and insignificant thing, a rivet, compared to the towering skyscraper of which it is such a vital part; but the cost of riveting is anything but small and insignificant. It is, in fact, deserving of much serious thought; and that's just what it is getting on the part of the American Institute of Steel Construction, an association formed by 165 of the leading structural steel fabricators of the United States and Canada for the purpose of reducing waste in building construction and effecting the consequent economies, mainly through standardization.

By the adoption of uniform specifications drawn up by the institute, builders can cut the present high cost of riveting about one-sixth, and the no mean sum of \$6,000,000 can be saved on the 400,000,000 rivets used with 2,900,000 tons of steel. The recommendations of the institute, in fact, represent a program of extensive and pronounced economies in the construction of buildings, bridges and all other structures in which steel serves as a skeleton.

According to the members of the institute, which has executive offices at 350 Madison Avenue, New York, in charge of Charles F. Abbott, executive director, and Lee H. Miller, chief engineer, lack of uniformity in present engineering practice is one of the chief factors contributing to the high cost of steel building construction today, a high cost which can be materially reduced by simplification and standardization.

To understand the reason for such a condition one must go back to about 1885, when Bessemer steel was first offered at a price that made it attractive for building purposes in place of the wrought iron and cast iron then commonly used.

At that time to promote the use of Bessemer steel in building and bridge construction, the various mills producing it quite naturally prepared handbooks and catalogs containing extensive and needful technical data. No two of these handbooks, however, carried the same specifications; consequently, they represented a wide variation in design and practice which, in turn, was reflected in the various building codes throughout the country which were based largely on the recommendations set forth by the manufacturers.

Now these mill handbooks and building codes continue to be followed to this day despite the fact that the subsequent intro-

# RADIOGRAMS



duction of the open-hearth process of steel making produced a material of more uniform quality for building construction and thus made obsolete many of the practices that were sound when applied to Bessemer steel. In fact, such standards as we have had until recently are little more than the more or less arbitrary assumptions concerning the behavior of steel under the various stresses of wind and live and dead loads which were adopted to govern the use of Bessemer steel in 1885.

To bring engineering practice up to date, to standardize and make uniform the principles underlying the use of steel in building and bridge construction, was the task to which the institute bent its skill. A committee was appointed, composed of men of high professional standing and in no way connected with the industry, to study the situation and present impartial recommendations based on study and research.

In its report the committee placed great emphasis, first of all, on the importance of a standard, rational basis of design, to the end that all engineers and contractors may figure their estimates on the same basis, since in the past with no national standard for guidance each engineer has set up his own standards with the result that almost anything could be justified.

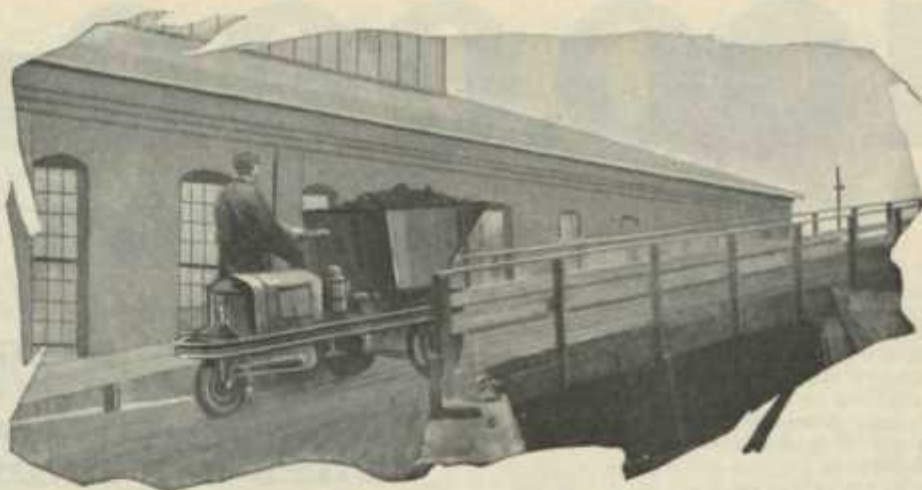
The outstanding feature of the committee's recommendations, because it touches the financial nerve of every builder, is the selection of a basic unit stress of 18,000 pounds to the square inch instead of the 16,000 pounds commonly specified since the days of Bessemer steel.

This change in the unit stress will effect a reduction of approximately 12½ per cent in the amount of material needed to meet any specific set of design conditions, with a corresponding saving in actual dollars and cents. Figuring the erected cost at \$100 per ton, a saving of \$100,000 will not be exceptional in many structures where these standard specifications are followed, inasmuch as 15 per cent of the total cost of an office or hotel building is represented by the cost of steel, 25 per cent in a loft or store building, and as high as 50 per cent in a manufacturing plant.

The public, and especially all tax-payers, have a direct interest in the widespread adoption of these specifications inasmuch as the reduction in the cost of erecting schools and other public buildings to be effected through the use of these specifications will result in lower taxes. In manufacturing plants, apartment houses and other types of buildings the reduced costs should be reflected in lower rents and a cut in the charges which the general public pays, directly or indirectly. Many of our largest cities and several states, in fact, already have adopted the specifications as a part of their present building codes.

In Cleveland, for example, the architect for the Board of Education estimates that the adoption of the institute's specifications, when applied to school buildings alone, will save the city at least \$125,000 annually, while in New York, with a school building program that calls for the use of 125,000 tons of steel, the cost of erecting two schools will be reduced about \$1,500,000.

Equally as important as the savings that can be effected in steel buildings through the use of the institute's standard specifications is the protection such specifications give the builder against the use of inferior materials and construction, since it was formerly the practice of unscrupulous contractors to draw up specifications best suited to their purpose, permitting them to bid low enough on the job to land the contract, quality being a secondary consideration.



## 500 Firms Use Clark Tructractors Truclifts and Duats

These gasoline industrial vehicles greatly reduce the cost of moving materials. The following is a typical list of Fleet Owners. The firms listed here have placed with us an *average of over five repeat orders* after their initial order. Evidently, the machines are making money for them. Note that these are firms well-known for good operating methods. The total list is many times this number.

American Agricultural Chemical Co.  
American Malleables Co.  
American Radiator Co.  
American Sheet & Tin Plate Co.  
Bessemer & Lake Erie R. R.  
Carnegie Steel Co.  
Chicago, Burlington & Quincy Ry.  
Clark Equipment Co.  
Durant Motors Co.  
Eastern Malleable Iron Co.  
M. B. Farrin Lumber Co.  
Port Pitt Malleable Iron Co.  
Frazer & Jones Co.  
Illinois Steel Co.  
Link-Belt Co.  
Lorain Steel Co.  
J. A. Mercier  
Milwaukee Electric Ry. & Light Co.

Nash Motors Co.  
National Fireproofing Co.  
New York Dock Co.  
Norfolk & Western Ry.  
Olds Motor Works  
Onondaga Pottery Co.  
Otis Cement Construction Co.  
Philadelphia Subway Construction Co.  
Julius Porath  
Reo Motor Car Co.  
Rome Brass & Copper Co.  
Saginaw Malleable Iron Co.  
Schmidt Construction Co.  
Standard Plate Glass Co.  
Standard Sanitary Mfg. Co.  
Swift & Co.  
Universal Portland Cement Co.  
Youngstown Steel & Tube Co.

Evidence of the profit-earning performance of Clark Tructractors in industrial plants, foundries, shops, warehouses, and railroads is given in a special series of booklets. Let us place one of these in your hands. Send coupon or address nearest office:

5756 Cass Ave., Detroit, Mich.	339 Second Ave. Pittsburgh, Pa.	549 W. Washington Blvd., Chicago, Ill.	1345 Highland Ave. Rochester, N. Y.
294 Juneau Ave., Milwaukee, Wis.	615 Jefferson Bldg., Philadelphia, Pa.	1650 So. 39th St., St. Louis, Mo.	1111 Spruce St., Philadelphia, Pa.
407 N. 24th St., Birmingham, Ala.	103 Lafayette St., New York, N. Y.		259 Franklin St., Boston, Mass.

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Please send me one of your booklets on Clark Tructractor  
Profit-Earning Performance.

Name \_\_\_\_\_ Title \_\_\_\_\_  
Company \_\_\_\_\_  
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# 100,000 miles and more

IN THE performance of every one of the thousands of White Trucks which have run 100,000 miles and more, there is a story of work well done, of business expanded, of money earned, of service rendered to an owner beyond his expectations. Bare synopses of a few of these stories are set forth here.

The Massachusetts Baking Company owns 5 Whites that have each run from 100,000 to 150,000 miles; 3 more that have run from 150,000 to 200,000 miles each. There are 57 Whites in this company's fleet.

In the Gulf Refining Company's fleet of more than 1,500 White Trucks there are 36 which have each run 200,000 and more miles and 80 additional Whites which have each run 100,000 and more miles.

Every one of the 26 White Trucks operated by the Provincial Highway Board of the Province of Nova Scotia, Halifax, has run more than 100,000 miles.

Below is a list of the owners with the largest numbers of Whites which have each run 100,000 miles and more:

Gulf Refining Co.	116
Motor Transit Co. (Los Angeles)	73
California Transit Co.	41
Bradford Baking Co.	32
White Transit Co., Inc.	28
Peninsula Rapid Transit Co.	27
Provincial Highway Board	26
Valley Transit Co.	25
Schulze Baking Co.	25
Cleveland Transfer Co.	25
Gimbel Brothers, Inc.	25
Standard Oil Co. of Indiana	24
Twin City Motor Bus Co.	23
Dennis Sheen Transfer Co.	22

Mandel Brothers, Chicago, operates 39 White Trucks. Sixteen of this fleet are eligible to the 100,000-mile list; 7 have run more than 150,000 miles each.

**No truck owner will operate a truck long enough to run 100,000 miles unless those miles are money earning miles**

FOR years The White Company has been publishing a list of, not a dozen, not a hundred, but thousands of White Trucks which have exceeded that mileage. Isolated accomplishments are not performance standards. 100,000 miles has become the standard of measure for motor truck performance because these thousands of White Trucks have made it the standard.

Today the owners of 4,195 White Trucks report that they have each run 100,000 miles and more. Hundreds of others, of which we have no accurate record, have exceeded that mileage. Scores have passed the 300,000-mile mark and are still giving dependable service. Thirteen of these have passed the 500,000-mile mark.

White Trucks are built to give these high mileages. In the great White factory nothing is spared in material, engineering or care and skill of workmanship. Experienced

craftsmen build White Trucks with a confidence that they will achieve such mileages with proper operating care.

Some trucks, because of the nature of the work they do, would not run 100,000 miles in 20 years. But White Trucks which have run 100,000 and more miles represent all models, all lines of business, all sections of the world. Blistering equatorial heat, polar freeze, gumbo and marshland, ruts and underbrush, mountain grade and shifting sand—no matter what the conditions of road, load or weather—White Trucks keep on rolling up *money-earning miles*.

Such a mass of evidence is proof unassailable that an investment in White Trucks returns the maximum in sustained, continuous transportation.

No other truck manufacturer has ever published such a volume of evidence of durability, dependability and economy. No other truck manufacturer can.



THE WHITE COMPANY  
CLEVELAND

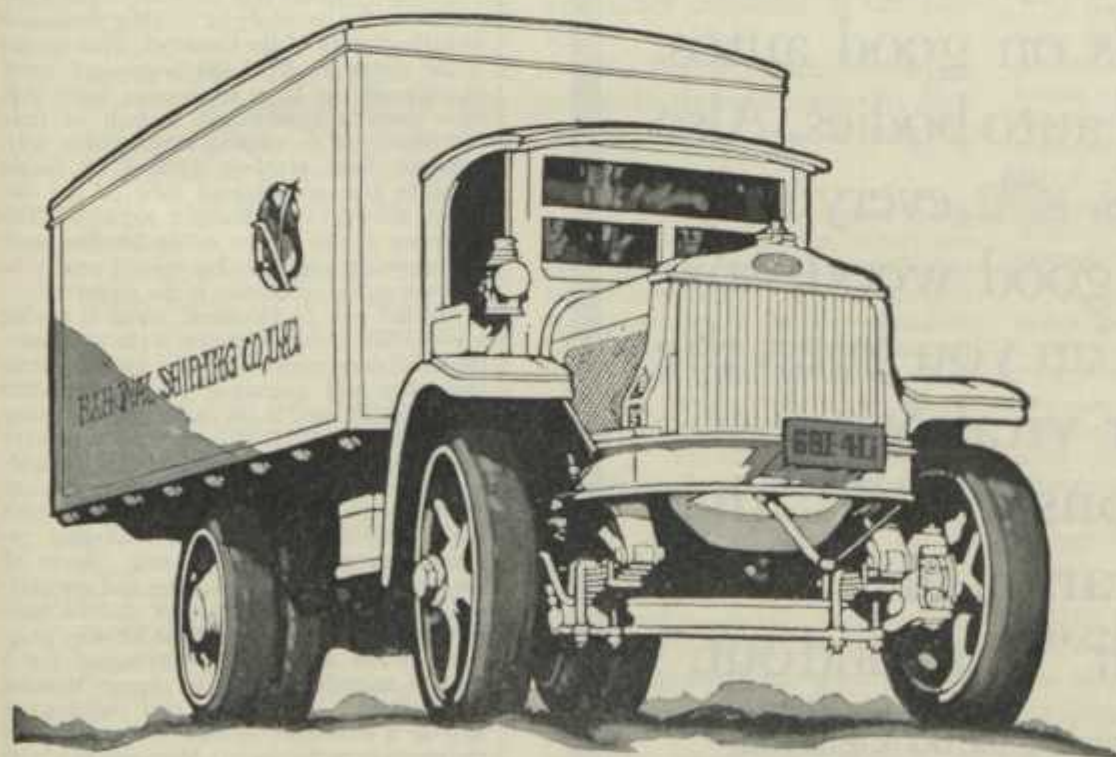


# WHITE



# Actual records of White Truck Owners

**211 Whites** have run **300,000** miles and more each  
**517** have run between **200,000** and **300,000** miles each  
**783** have run between **150,000** and **200,000** miles each  
**2684** have run between **100,000** and **150,000** miles each  
*bringing us to this astounding total —*  
**4195 Whites** have run **100,000** miles and more each



## White Service

Assuring continuous, sustained transportation everywhere.

The operator who has need for only one truck reckons the mileage of his White in multiples of 100,000 miles, the same as the fleet owner. The Brown Electric Company, Rockledge, Florida, bought a White Truck eleven years ago after it had already been run 81,000 miles. It has now run more than 200,000 miles, is doing heavy hauling every day and its owner considers it good for several more years of service.

The Standard Oil Company of Indiana has 24 White Trucks, each of which has run more than 100,000 miles. No other trucks in this company's service have equaled the performance of these Whites, either in length of service or in mileage covered.

Chicago American-Herald Examiner writes: "In October, 1919, we purchased 14 White Trucks. Twelve of these have gone over 100,000 miles each. We believe they will give many more miles of economical service."

The 100,000-mile record this year shows a gain of 1,807 trucks over last year's record and a gain of 1,023 owners' names.



The names of all of the owners of the 4,195 White Trucks which have run 100,000 miles and more are listed in a new booklet just published. The mileages are classified. You will find in the booklet owners in your section of the country, in your line of business and with trucking problems the same as your own. The booklet is free. We will be glad to send it to you. Write The White Company, 842 E. 79th Street, Cleveland, Ohio.

# TRUCKS



**L**IKELY as not you'd say "it's wood" when asked what a piano-action is made of. Now you know that it is **HARD MAPLE**. Same with the neat, flat platter you cut your bread on. It's **HARD MAPLE**. Play checkers? They're **HARD MAPLE**. So are tubs. So are tooth-picks, & steering-wheels on good autos. And good auto bodies. Also railway ties. **HARD MAPLE**, everybody's everyday good wood, sure enough. Can you guess the 148 other vital & artistic applications of **HARD MAPLE**, that World-standard "105%" hardwood? "Let's find out."

The New Hard Maple Book tells you.  
 It's very interesting. And authentic.  
 And worth filing. Free on request.

SEND YOUR NAME TO

### The Northern Hard Maple Manufacturers

309 F. R. A. Building, Oshkosh, Wisconsin

NOTE: Hard Maple can be had in mixed shipments with Beech, Birch and other desirable Northern Hardwoods. Write for list of member mills.

## How the Engineer Aids the Banker

By W. M. BROWN

Secretary, The H. K. Ferguson Company,  
Cleveland, Ohio

THE SECRETARIES of the local chambers of commerce have often been solicited for help by business men in arranging the financial part of an expansion program, but they have been handicapped by lack of suitable information to present to bankers. The assistance rendered to secretaries by competent engineers in presenting a correct analysis of the situation has prevented a large number of worthy enterprises from being lost to progressive communities.

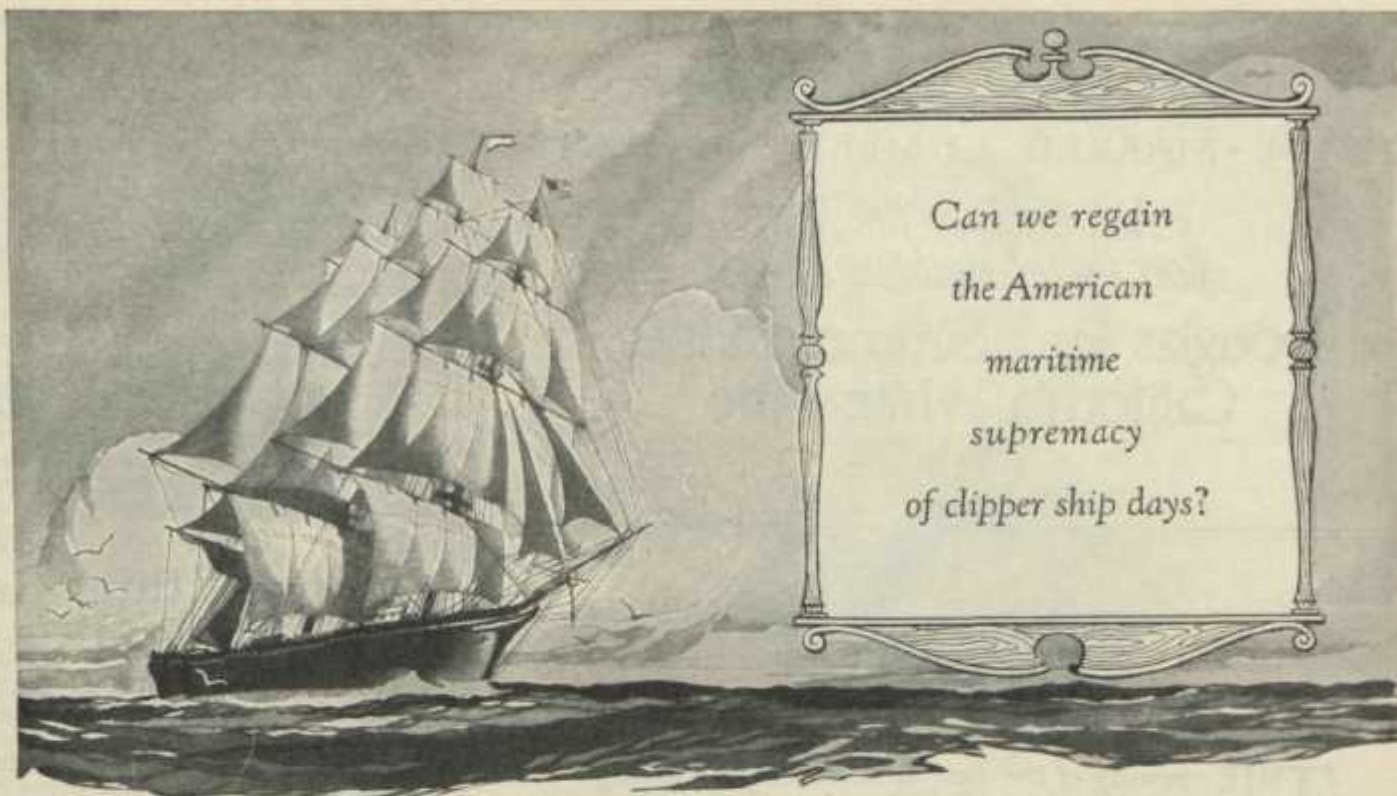
Whenever the manager of a business enterprise faces the question of deciding to build or not to build at some particular time, he must take into consideration a number of important factors. He immediately finds difficulty in getting sufficient reliable information within the circle of his friends and acquaintances for a satisfactory answer. Prevailing labor rates, the price of materials, the cost of money and the actual need of new floor space are, of course, among the more important items which must be given proper attention.

A new source of reliable information and assistance is now available from firms of engineers and builders that maintain research departments for the study of building conditions in various parts of the country. This service is the direct result of the progressive spirit of some of the large engineering firms that have spent a considerable amount of time and money in developing organizations with sufficient facts at their disposal to enable them to give an unbiased view of any situation related to the building industry. The rendering of this service in the last few years by competent engineers has tended greatly to improve public confidence in the industry.

Another new development, which is having a good effect on the industry, is the announcement by some engineering and building firms that they will guarantee the workmanship and materials used in the buildings which they design and erect. It is now possible to have one responsible firm of engineers and builders design, build and equip an industrial plant or commercial building, and guarantee both the design and construction. Divided responsibility has been eliminated. Some of the more progressive engineering and contracting firms have in recent years assisted business concerns in financing their building projects. When a banker is approached for a loan he immediately asks for figures showing the estimated cost of the new building, as well as a statement showing the earnings of the prospective borrower. Managers of plants have sometimes overlooked the fact that the banker is more interested in the ability of the borrower to repay the loan than he is of the security behind it. They have, therefore, been puzzled at times by the apparent indifference of the banker to the value of the land and buildings offered as a security for the loan. It is the lack of information properly presented that often causes the banker to hesitate in granting a loan, and sometimes makes him feel that a firm wants to expand more than he thinks is advisable or necessary.

In view of this attitude of bankers, it behooves the borrower to have his statements and figures arranged in a presentable manner and to have his plant layout arranged for





RESTORING the American merchant marine to world leadership, requires ships which will do under today's competitive conditions what our speedy clippers did in their day; carry more freight for less money than ships of other nations, and still earn profits on their cost.

Hundreds of good American ships built for the war emergency are now depreciating at their docks, underbid in the competition for international freight. The United States Shipping Board is making a splendid fight to save these ships and, as a first step, has decided to replace the present power plants in a number of them with the more economical Diesel-type engine.

Fuel expense often totals half the cost of operating ocean-going ships, therefore, successful American ships must have engines that cut down fuel consumption to the last notch and these engines should combine lightness and strength and take up as little cargo space as possible.

The newly developed Worthington double-acting two-cycle oil engine of Diesel type comes nearer to the ideal in these essentials than any other yet devised. It combines the adapta-

bility and handiness of the steam engine with the fuel efficiency and labor economy of the Diesel.

This new Worthington engine is peculiarly opportune. As *Marine Engineering and Shipping Age* remarks:

"For some time the interest in Diesel engineering has been largely centered upon the development of the double-acting motor. . . One of the principal obstacles in the way of a more rapid and general adoption of internal combustion machinery on shipboard has been its relatively high cost and weight as compared with steam machinery. . . The obvious solution of the problem, as at present presented, is the adoption of the double-acting principle.

"An additional incentive for the production of this type of engine arises from the fact that certain of the Shipping Board vessels which it is proposed to convert to Diesel drive, cannot accommodate single acting units of sufficient power without extensive hull alterations while the fitting of double acting engines could be done with comparatively little difficulty."

Referring to this engine, *Iron Age* says:

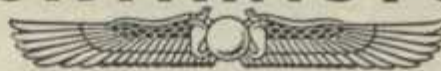
"A feature also emphasized is that from all indications the horsepower per cylinder can be carried to a much higher value than any yet attained in Diesel engines, which is important as increasing greatly the field of usefulness of Diesel-type power, and making it an active competitor of steam power machinery over a wider range than heretofore."

"The large Diesel has arrived," comments *Power* in a descriptive article devoted to the Worthington engine; "The Worthington engine combines a fuel economy comparable with that of the best existing types of Diesel engine, with dimensions, weight and construction cost per horsepower approaching those of reciprocating steam machinery."

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# Long-Bell

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*Now Include the Four  
Most Useful Building Woods*

Douglas Fir - Southern Pine  
California White Pine  
Oak



THE opening of the new lumber manufacturing plants of The Long-Bell Lumber Company at Longview, Washington, has added Douglas Fir lumber and timbers to the list of Long-Bell trade-marked products.

This means that throughout the United States buyers can now obtain lumber and timbers of one or more species of wood bearing the Long-Bell trade-mark. It means that buyers, universally, can choose, by *brand*, lumber products that have been safeguarded in manufacture to meet that important requirement so long a standard in Long-Bell production—*maximum building value*.

The addition of Douglas Fir to Long-Bell products means, furthermore, that this manufacturer is now a producer of the four most useful building woods—Douglas Fir, Southern Pine, California White Pine and Southern Oak.

Trade-marks on countless wares have long been an aid in buying. You prove this for yourself every time you buy food or clothing, household equipment or automobiles. The names or emblems of certain manufacturers are *guides* in selection.

The same significance of certain names on other merchandise is equally true with lumber. The Long-Bell trade-mark on lumber is an *identification* that assures protection to buyers and stands for a service that the public has a right to expect.

Douglas Fir Lumber and Timbers; Southern Pine Lumber and Timbers; Creosoted Lumber, Timbers, Posts, Poles, Ties, Guard-Rail Posts, Piling; Southern Hardwood Lumber and Timbers; California White Pine Lumber; Sash and Doors; Oak Flooring.

*Ask your lumberman for Long-Bell  
trade-marked lumber products.*

THE LONG-BELL LUMBER COMPANY  
R. A. LONG BLDG. Lumbermen Since 1875 KANSAS CITY, MO.

economical production, as well as a guaranteed cost for buildings and equipment.

It is here, again, that the services of a competent firm of engineers and builders can be of important assistance in obtaining and compiling the proper information for use in arranging the financing. The preliminary service consists in examining the present financial status of the borrower, and in preparing a plan for additional buildings and equipment consistent with a sound conservative policy of development and growth. Under this method, the banker is certain of having the correct information on which to base his opinion as to the feasibility of the building project.

My company believes that all bankers are interested in the steady growth of enterprises in their communities, and has always found that the bankers are ready and willing to make loans to substantial firms for the manufacture of almost any saleable product.

## Code of Ethics Gets 67 More OK's

SIXTY-SEVEN more names are added this month to the Roll of Honor on which are being inscribed the organizations adopting the Principles of Business Conduct as drafted at the last annual meeting of the United States Chamber of Commerce, bringing the total to date past the 400 mark. That the code of ethics has an international appeal is again manifested by this month's list, which carries the names of chambers of commerce in China, Cuba, Italy and Spain.

### ARKANSAS

Greene County Commercial Club, Paragould.

### DISTRICT OF COLUMBIA

National Retail Coal Merchants' Association, Washington.

### GEORGIA

Southern Sash, Door and Millwork Manufacturers' Association, Atlanta.

Board of Trade, Brunswick.

### ILLINOIS

Aurora Chamber of Commerce, Aurora.  
Belleville Board of Trade, Belleville.  
Chamber of Commerce, Champaign.  
American Walnut Manufacturers Association, Chicago.  
Autographic Register Manufacturers Association, Chicago.  
National Association of Brass Manufacturers, Chicago.  
Oak Flooring Manufacturers' Association of the U. S., Chicago.  
Sales Book Manufacturers Association, Chicago.  
Wholesale Sash and Door Association, Chicago.  
Elgin Association of Commerce, Elgin.  
Joliet Chamber of Commerce, Inc., Joliet.  
Pana Association of Commerce, Pana.

### INDIANA

Chamber of Commerce, East Chicago.  
Chamber of Commerce, Farmland.

### IOWA

Cedar Rapids Chamber of Commerce, Cedar Rapids.

### KANSAS

Chamber of Commerce, Emporia.

### LOUISIANA

Chamber of Commerce, Baton Rouge.

### MASSACHUSETTS

Everett Chamber of Commerce, Everett.  
Lowell Chamber of Commerce, Lowell.

### MICHIGAN

Grand Rapids Association of Commerce, Grand Rapids.  
Saginaw Board of Commerce, Saginaw.  
Sebawaing Chamber of Commerce, Sebawaing.  
St. Joseph Chamber of Commerce, St. Joseph.

### MINNESOTA

Mankato Chamber of Commerce, Mankato.

### MISSISSIPPI

Chamber of Commerce, Hattiesburg.

### NEW YORK

Buffalo Chamber of Commerce, Buffalo.  
Associated Dress Industries of America, New York.  
Bronx Board of Trade, New York.  
Engraving Society, New York.  
The Hydraulic Society, New York.

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When writing to THE LONG-BELL LUMBER COMPANY please mention the Nation's Business



Motion Picture Chamber of Commerce of America (Non-Theatrical), Inc., New York.  
National Bureau of Casualty and Surety Underwriters, New York.  
Silk Association of America, New York.  
Rochester Chamber of Commerce, Rochester.  
Utica Chamber of Commerce, Utica.

## OHIO

Chamber of Commerce, East Liverpool.  
Salem Chamber of Commerce, Salem.  
Steubenville Chamber of Commerce, Steubenville.  
Youngstown Chamber of Commerce, Youngstown.

## OKLAHOMA

Chamber of Commerce, El Reno.

## OREGON

Eugene Chamber of Commerce, Eugene.

## PENNSYLVANIA

Bradford Board of Commerce, Inc., Bradford.  
Chamber of Commerce, Ellwood City.  
Harrisburg Chamber of Commerce, Harrisburg.  
Indiana Chamber of Commerce, Indiana.  
Atlantic Coast Shipbuilders Association, Philadelphia.  
National Cigar Box Manufacturers Association, Philadelphia.  
International Stamp Manufacturers' Association, Pittsburgh.  
Power Piping Society, Pittsburgh.

## RHODE ISLAND

Woonsocket Chamber of Commerce, Inc., Woonsocket.

## SOUTH CAROLINA

Spartanburg Chamber of Commerce, Spartanburg.

## TENNESSEE

Chamber of Commerce, Nashville.

## TEXAS

Dallas Chamber of Commerce, Dallas.  
Chamber of Commerce of Marion County, Jefferson.

## VERMONT

Burlington Chamber of Commerce, Burlington.

## WASHINGTON

West Coast Lumbermen's Association, Seattle.

## WISCONSIN

Chamber of Commerce, Berlin.  
Lake Geneva Chamber of Commerce, Lake Geneva.  
Waupun Association of Commerce, Waupun.

## FOREIGN

American Chamber of Commerce, Shanghai, China.  
American Chamber of Commerce of Cuba, Havana, Cuba.  
American Chamber of Commerce for Italy, Milan, Italy.  
American Chamber of Commerce of the Philippine Islands, Manila.  
American Chamber of Commerce in Spain, Barcelona, Spain.

## Parliament, Too, Has a Lighter Side

THE OLD fashion of seed-time and harvest is increasingly menaced. The Arctic current is lost or strayed; long-range weather forecasts tell of impending famines; and astronomical observations hint of a split in the sun, with results to us poor earthworms, it is naively added, which "can not even be estimated."

Climaxing all this, the statesmen who compose the British House of Commons, no longer content with the turning of a young man's fancy or the livelier iris on the burnished dove to tell them spring is here, reveled in debate—on the eleventh of April of this year, when London streets were harassed with snow—on whether permanent "summer time" should begin by statute on the first of April.

Sir H. Kingsley Wood (West Woolwich) asked that the bill "be read for the second time," and was greeted with "Laughter."

Mr. Mills (Kent, Dartford): Where are your skates?

Sir K. Wood: I anticipated the observations of honourable members on the announcement of the name of the bill dealing with summer time, on a day such as this. I can only say that I regret that it is impossible for me to introduce a bill not only to make summer time permanent but to bring real summer time when we want it. I believe that today we are beginning the week known as "Buchan's second cold" period. I

## MASTERING THE MULLIGATAWNY



Simeon J. Apthorpe, President of the Atlas Tweezer Company, had the heaviest mustache between South Lyme, Conn., and Perth Amboy, N. J.

At the age of forty-two years he married a lady of good family, and in the excitement following the wedding forgot to include his mustache-cup among the articles that were to serve him on the way to Niagara Falls.

Deprived of that ingenious piece of crockery, President Apthorpe's efforts to eat and drink might have brought disaster upon him if the bride had not come to his rescue.

This occurred upon the occasion of their second visit to the dining car. Mulligatawny soup was served, and President Apthorpe's attempts to find terminal facilities for his share of it were going badly when his wife, actuated by a happy thought, handed him a bunch of hairpins. Thus the situation was saved.

## COLGATE'S

softens the beard at the base

There is no longer any excuse for whiskers that interfere with the consumption of food. Colgate's Rapid-Shave Cream makes shaving so easy that the mustache-cup has become a mere "hairloom," and whiskers have almost disappeared from the face of man.

Lather with Colgate's for shaving comfort. It makes even the toughest beard yield softly to the razor, and it leaves the face soothed and velvety.

If you would like a free trial tube containing cream enough for 12 easier shaves than you have ever had, please fill out and mail the attached coupon.

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## Over 3,000,000 pieces of mail

SOME IDEA of the magnitude of the business of a large bank may be had from the annual report of The Equitable's Mailing Department.

More than 3,100,000 separate pieces of mail were handled by the department, of which 1,200,000 were incoming and 1,900,000 were outgoing.

Cash and securities received by mail amounted to \$49,637,000; cash and securities mailed out aggregated \$94,110,000.

Like our Cable Department, which handles, on the average, a cable a minute during the banking hours of each day, the Mailing Department is a highly specialized organization for the purpose of expediting our customers' business and saving them time and money.

### THE EQUITABLE TRUST COMPANY OF NEW YORK 37 WALL STREET

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Bush House, Aldwych, W.C. 2  
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MEXICO CITY: 48 Calle de Capuchinas

#### DISTRICT REPRESENTATIVES

PHILADELPHIA: Land Title Building  
BALTIMORE: Calvert and Redwood Sts.  
CHICAGO: 105 South La Salle St.  
SAN FRANCISCO: 485 California St.

Total resources over \$450,000,000

would ask honourable members not to be dismayed by the present conditions.

MR. MILLS: "Hope springs eternal."

SIR K. WOOD: I would ask my honourable friends not to be dismayed by the conditions of today; to think, if they can, of those glorious spring days in this country and the summers which have always been the admiration of other parts of the world. Such is the glorious uncertainty of the British climate, who knows but that tomorrow or Sunday we may have one of those sweet spring days, full of sunshine, health and vigor for everyone.

The object of this bill is to make permanent summer time for a period of six months from the first Sunday in April until the first Sunday in October . . . I have received several letters objecting to the bill on the ground that it will in some way or other be an attack upon Providence, and that the proposals in this bill interfere with the time laid down in the Book of Genesis . . .

MR. E. BROWN (Warwick, Rugby): There are parts of the country where that view is taken very seriously, and where they do work the other hour in spite of the law. They go by what they call God's time and not man's time.

SIR K. WOOD: I am anxious that no one should think that I stand today as a sort of presumptuous Joshua, who will say: "Sun, stand thou still upon Gibeon; and thou, Moon, in the Valley of Ajalon." I have no such intention . . . There is no

#### A Medley of Old Testament and Mythology

attempt to tamper with the dispositions of Providence or the motion of the heavenly bodies . . .

MR. ARTHUR HENDERSON, JR. (South Cardiff): . . . There is not much substance in the criticism that it is not a good thing for the children because it does not encourage getting to sleep early at night. When I was a small child, I did not find it very easy to go to sleep in the dark, because I was afraid of the dark, and I think that remark applies to a great many children . . .

Let us take the case of the hapless disciples of Cupid. The spirit of romance comes in at sunset and goes out at sunrise. I have not had great experience in these matters . . . We are told that the effect of the bill will be to require the cow to change her habits. The cow is a very patient, if rather obstinate, animal, but an animal with well-regulated habits. I am sure it is open to moral suasion just as honourable members on the opposite side have been persuaded that a Labor Government is not such a bad thing, after all.

MAJOR COLFOX (West Dorset): . . . If summer comes, I can imagine it will be possible to make out a very good case in favor of summer time, but I think the honourable member for West Woolwich (Sir K. Wood) can hardly be congratulated on the day upon which he has chosen to bring forward a Summer Time Bill, and if any further argument were needed to show the folly of attempting to extend the period of summer time by starting at the beginning of April, I feel that the Clerk of the Weather has himself today provided that argument.

MR. GAVAN-DUFFY (Cumberland, Whitehaven): As a matter of fact, it has been an attempt all the way through to fool with the sun. We have not been able to do it, and today, in the midst of a snow storm, we are again endeavoring to fool with the sun. The House of Commons, with all its great powers, could not accomplish that, so the next best thing was to start fooling with the clocks.

SIR COURNEY MANSEL (Cornwall, Penryn and Falmouth): I join with the honourable member from West Dorset (Major Colfox) in his admiration for the versatility of the honourable member for West Woolwich (Sir K. Wood), but I cannot acquit him of ambition. Not content with recently presiding, like Bellona, over the clash of war, and prefacing, if not celebrating, the wrath of Achilles, he is now engaging, like another Phaethon, in snatching the reins of the chariot of the sun from Phoebus himself. But if



I may make a somewhat abrupt descent from mythology to the farmyard, I should like to address a very earnest appeal to this honourable House on behalf of a very respectable body of animals, not indeed voiceless themselves, but seldom or never admitted to the precincts of this House. I wish to urge a very earnest appeal to this House on behalf of the cows. Most members of this House at one period or another of their existence have suffered these animals to enter into a quasi-parental relation, and I think the time has come now for them to display and perform some of the quasi-filial duties and sink some of their own prejudices in favor of these interesting animals . . .

I said that I could not acquit the honourable member from West Woolwich of ambition. He has disclaimed being one of the following of Joshua, but I should hesitate to bring to his mind the case of Ezekiah, because he only turned his attention to the almanac on his deathbed, and we happily have the honourable member from West Woolwich in full health and strength here before us, and long may we continue to enjoy that privilege. But I think that he is ambitious. He wishes that the sun-dials, throughout the length and breadth of the land, like deserted altars, should testify to the might and majesty of the honourable member for West Woolwich, who does not hesitate to place himself third on the roll of illustrious names—Julius Caesar, Pope Gregory, and the honourable member for West Woolwich . . . I hope the House will not deprive itself of the priceless privilege of annually seeing the honourable member for West Woolwich riding cherubically on the clouds and majestically directing the motions of the heavenly bodies.

MR. DICKSON (Lanark): . . . The honourable member for South Cardiff admitted that he was not an agriculturist, and he gave us information as to how we should apply this measure in the interests of agriculture. He is not a father, and he gave us advice as to how this was beneficial to children. He admitted that he was not a romanticist, and he told how delightful it was to have romance in the daytime instead of in the dusk . . .

You may have in any row of cottages or in any tenement 99 children such as you might imagine I was when I was young, very quiet and obedient and amenable to discipline and parental authority, who would be sent to bed at the proper hour, allowing for the change of the clock. But you might have, on the other hand, a child whom you might imagine as a very miniature and young edition of the member for West Woolwich, who deliberately pursued even then obstructionist tactics, to the disadvantage of the other 99 who were safely put away in bed . . .

You cannot arrange when frost shall come in the morning, or when the cows will like to get up in the morning. You cannot get these things to fit in with Bradshaw and the A-B-C-time table, and that is what is going on here. It is somewhat amazing indeed to have this thing called the Summer Time Bill. You may go up in certain parts of Scotland, and instead of having summer time you will discover King Winter, with his whiskers bristling with frost, and we are calling it summer time.

MAJOR SIR HARRY BARNSTON (Chester, Eddisbury): I do not think the honourable member for Cardiff is quite on his firmest ground when he is speaking about cows. I do not quite know what he meant. In these days we seem always to be

making gestures, and the honourable member, as far as I could make out, was making a gesture to the cows. After all, I suppose the ordinary cow is the most conservative thing living today. I think the ordinary cow would almost put Lord Banbury to shame. Perhaps I have put the case too high, but, at any rate, the cow hates change and, as we have always been told all



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# "A Mighty Good Medium"

Among the manufacturers whose advertisements appear regularly in The Christian Science Monitor is the National Company of Cambridge, Mass., manufacturers of National D X Condensers, Velvet Vernier Dials, Brown-ing-Drake Regenaformers and other Radio apparatus. The following letter is reproduced by permission.

September 19, 1924.

The Christian Science Monitor,  
Falmouth Street, Boston, Mass.  
Gentlemen:

It may be of interest to you to know the results we have derived from our advertising in the Monitor during the past few months.

In every case where we have used space, we have been able to definitely trace sufficient business to more than pay for the advertising used.

We consider the Monitor a mighty good medium.

Very truly yours,  
NATIONAL COMPANY  
(Signed) W. A. Ready, President.

We have in our files similar letters from many other advertisers, covering a wide range of products, who have found it profitable to offer their goods to the readers of The Christian Science Monitor.

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## The Christian Science Monitor

Member A. B. C.—Circulation Analysis on Request

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New York, 270 Madison Ave.  
London, 2 Adelphi Terrace  
Chicago, 1458 McCormick Bldg.  
Cleveland, 1658 Union Trust Bldg.

Detroit, 455 Book Bldg.  
Kansas City, 705 Commerce Bldg.  
San Francisco, 625 Market St.  
Los Angeles, 620 Van Nuys Bldg.  
Seattle, 763 Empire Bldg.

our lives, change is not at all good for cows. Sir W. MARTIN CONWAY (Combined English Universities): . . . As representing some 20,000 graduates of various universities, I think we may say of them, as far as I have been able to discover, that they are very largely in favor of this bill.

If I may assume that the normal graduate is a student, I would say that the normal student has to endure a bi-diurnal tragedy—the tragedy of getting to bed at night and the tragedy of getting up in the morning. He hates both those operations. He never goes to bed until he is too tired to sit up any longer, and he never gets up until hunger or business compels him. It takes an Act of Parliament to get him up an hour earlier in the morning, and I should say the ordinary student will be grateful to this House for any assistance it gives him in overcoming his natural lack of momentum . . .

Mr. LAMB (Stafford, Stone): The honourable member for West Leicester (Mr. Pethick Lawrence) said that no one could claim that 9 o'clock in the morning in the first two weeks of April could be considered to be winter time. If he had been with me this morning and had come up from the Midlands, he would have seen large tracts literally and actually covered with snow, and he might have altered his opinion.

Mr. T. JOHNSON (West Stirling and Clackmannan): . . . There is something screamingly funny in a House which refuses to begin operations at a decent hour in the morning, but begins at a quarter to three in the afternoon and goes on most nights until half-past 11 o'clock, and sometimes until one or two in the morning, sitting here solemnly, without a smile on their faces, discussing summer time for the agricultural industry . . . I heard an honourable member declare the other night that he represented the most romantic parts of Scotland. Well, I represent the "bonnie banks of Loch Lomond."

Anyone who has been there in the summer time will know that in the morning the mists lie in the

### And Scotch— No, Weather

valleys so long that it is impossible for agricultural workers to go about their business at all . . . I was rather interested to hear one honourable member speak in support of the bill as being designed to help students at our universities. My recollection is that at the early morning classes we were used to have them take subjects upon which they could not teach unless they got us in a semi-comatose condition. They used to give us moral philosophy at eight o'clock; they could not teach moral philosophy at any later or more sane hour of the day . . . And not only is it rather humorous that this House should be discussing summer time starting early in the morning, but it is rather humorous that on the day on which we are discussing it we should have a snowstorm.

I think it was Browning who wrote: "O, to be in England, now that April's there." Well, we have it, and the further we go the less summer time we have . . . I do think it is preposterous to come to this House and ask for an extension of the period to months which only a humorist can class as summer.

LIEUT. COL. LAMBERT WARD (Kingston-upon-Hull): . . . Of course everybody agrees that there are two sides to every question . . . I have heard the manager of a large business say that it is difficult to get the young women he employs to work as early in the morning, because they are tired from playing tennis overnight . . . We in the south want to enjoy the same advantages that are enjoyed by those fortunate people who live on the bonnie banks of Loch Lomond . . .

It is idle to tell us that on any decently managed farm there is nothing for the worker to do and he has to sit in a shed waiting for the sun to dry up the dew . . . We have heard a good deal about Scotch mists in the valleys. The only time I was in Scotland for a month in the summer it was mist in the valleys all day long. It never dried up at all. So it would not make a great deal of difference to Scotland. As far as I can make out, the climate there is not amenable to any acts that may be passed here.





We thought you would appreciate knowing that the crates designed for our Ohlen Gold Medal Circular Saws by your engineer, Mr. B. E. Gaylord, have been giving complete satisfaction. Instances have come up where the same crate has been shipped out from our factory as many as three times, reaching destination, according to reports, in good condition.

The new crates require on an average of 25% less lumber, which will save us twenty thousand feet of crating lumber per year. No more labor is required in making the new crates than was required for the old ones, and, without any doubt, they are more substantial crates.

Thanking you for your assistance in reducing our crate costs, we remain,

Yours very truly,  
THE OHLEN-BISHOP CO.  
B. Lucas, Purchasing Agent

### Saves Lumber

We have now been using this new style crate for several months with splendid satisfaction. The crate is not only better in appearance, but is much stronger than the old crate which we used, so that the contents are better protected while in transit. We have had very little breakage since the introduction of the new crate and best of all, the redesigning of this crate by your engineer, will save us approximately \$3,500 a year.

In this connection we might also add that we are very much pleased with the lumber which has been furnished to us by your company.

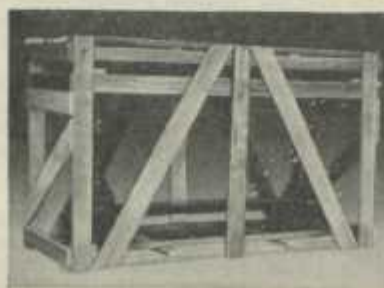
We thank you very much for delegating Mr. Gaylord to assist us in this crating problem and wish to commend him as a very obliging and capable crating engineer.

Yours very truly,  
NEW PROCESS STOVE CO. DIV.  
John G. Way, Manager

### Saves Breakage

## How Scientific Crating Works Out in Actual Practice

SCIENTIFIC crating was not widely known until Weyerhaeuser introduced it to American business men. On this page a few of the 392 concerns who have consulted the Weyerhaeuser crating engineers tell of the benefits and savings they are getting from this service.



We are pleased to report our experience has been very satisfactory and the results produced in the saving of labor, material and elimination of damaged goods exceeded our expectations.

We are firmly convinced that the Western Fir is more economical for our crating requirements than any material we have used in the past, and we are at the present time taking the matter up with your Baltimore office regarding an additional block of material.

With best wishes, we are,

Yours very truly,  
MONTGOMERY  
TABLE & DESK WORKS  
Sterling B. Decker, Vice-President

### Saves Labor and Materials

WEYERHAEUSER crating engineers are available for appointment with industrial concerns without cost or obligation.

A booklet, "Better Crating," outlining the principles of crate construction, will be sent free on request.



We have always taken great pride in building first class goods and having them reach our customers in excellent condition. Two years ago we asked for the services of one of your crating engineers.

He went right out into our crating department and after a thorough investigation into the character of our product, made a form of crate which appealed to us as being superior to the crate which we had been using. We immediately adopted this new crate and since doing so our breakage has been reduced to the very minimum.

One of our large customers on the Pacific Coast wrote us recently that with our new design of crate our "Oriole" gas stoves were being received in practically 100% condition.

Yours very truly,  
M. W. LONGFELLOW  
First Vice-President  
The Baltimore Gas Appliance  
& Manufacturing Co.

### Pleases Customers

About a year ago we noticed one of your Crating Service advertisements and requested that one of your crating engineers call upon us and consider our crating methods.

He spent several days at our factory and together with our engineers worked out a new design of crate for our automobile transmission which is much stronger than the old crate, contains less lumber, is easier to pack and assemble, and has saved us a considerable amount of money.

The new crate delivers our transmissions at destination in perfect condition and railroad officials have several times directed attention to it as an example of excellent crate construction.

ARTHUR E. PARSONS  
Treasurer and General Manager  
Brown-Lipe Gear Company

### Pleases Railroad Officials

## WEYERHAEUSER FOREST PRODUCTS SAINT PAUL • MINNESOTA



Producers for industry of pattern and flask lumber, factory grades for remanufacturing, lumber for boxing and crating, structural timbers for industrial building. And each of these items in the species and type of wood best suited for the purpose.

Also producers of Idaho Red Cedar poles for telephone and electric transmission lines.

Weyerhaeuser Forest Products are distributed through the established trade channels by the Weyerhaeuser Sales Company, Spokane, Washington, with branch offices at 208 So. La Salle St., Chicago; 220 Broadway, New York; Lexington Bldg., Baltimore; and 2694 University Ave., St. Paul; and with representatives throughout the country.





## Make your collections build good will.

Do not incur the ill will of your debtor. He is your dealer. Once you sought him, cultivated him thru advertising, salesmen and literature—you now have an investment in him.

**Unskillful collection methods will kill that investment and leave the debtor valueless to you as a dealer for the future.**

Your business is sales, you study the psychology of the DEALER. Our business is collection after sales, we study the psychology of the DEBTOR, the same man under vastly different conditions. Our specialty is collecting your overdue accounts from your debtor and returning him to you as a dealer—a better business man because of his contact with us, and less apt to again fall in arrears.

We collect your delinquent accounts quicker and more effectively, and with less danger of leaving a sore spot on your dealer.

That's why more than four thousand leading manufacturers turn their debtor-dealers over to us regularly. Let us help you—write today for details.

### UNITED MERCANTILE AGENCIES

United Building, Louisville, Ky.

Collection for Manufacturers  
and National Distributors



## Some Notes on Business Books

### Reviews of Recent Publications

**Principles of Foreign Trade**, by C. E. Griffin. The Macmillan Company, New York, N. Y.

"When Macmillan gets out a book in a crowded field, the chances are that it is an exceptionally good book," a Leland Stanford University professor recently remarked. Anyway, with all the stream of recent books on foreign trade, there is certainly a place for this one by Professor Griffin of the University of Michigan. The professor has his tomahawk out for the professional foreign trade promoter who views export business as constituting the whole, or the really important side, of foreign trade. He comments, "The propaganda of banks, commercial organizations, and of the Government is directed to increasing our export trade much more than to facilitating imports. This may be justified on the ground that other countries will look after their exports, which are our imports. But, nevertheless, it appears that the concern felt over the one and the neglect of the other is due in large part to a confusion of means and ends." Perhaps the professor has overlooked the recent vogue of import trade in the foreign trade meetings: this year the National Foreign Trade Convention actually devoted a full session to the program of the National Council of American Importers and Traders—that is, the importers. And really, the idea of our Government devoting itself to propaganda to facilitate imports does cause us to gasp a bit for breath—even if Mr. Hoover's department has been devoting a good deal of its time of late to the rubber and nitrate and sisal and quinine and other import commodities.

The principles of foreign trade are summarized as follows: (1) All trade is essentially an exchange of goods and services. (2) Goods are given (sold) as a means of getting (buying) other goods. The getting and consuming of goods is the end; the production and sale is a means to this end. (3) The value of goods and services given must be equal to the value of those received. (4) The benefits of trade are not to be found in a difference between sales and purchases, but in the greater importance to each individual or nation of the goods received than of those given. (5) Benefits must be mutual though not necessarily equal. (6) Trade is at present conducted by individuals, each seeking his own personal profit."

The author applies these principles to things like the repayment to us of the European debts: "Spread over a period of decades, such a payment would mean that we can, during that period, have at our disposal more of goods and services than we would otherwise have enjoyed. A conclusion that this is undesirable must rest upon grounds which transcend economic common sense." Applying Principle No. 6 he punctures one of the arguments used in advocating an American merchant marine: "A true understanding of international trade will not be facilitated by an assumption at the outset that England, or any other country, is one great trading unit bent upon destroying all foreign competition."

The author's choice of illustrations and his applications of the theory of international trade, and his use of statistics are always rather striking and pointed. For example, his tabulation of the per capita foreign trade of various countries shows that in 1913 the per capita foreign trade of Netherlands was \$453, Belgium second, \$221, New Zealand, third, \$191, Switzerland, fourth, \$168, then Australia, Denmark and Canada ahead of the United Kingdom, eighth, with \$125, while the United States stood twenty-second with but \$43.

This book is essentially a book of economics applied to international commerce, including shipping, financing, as well as investment and insurance.

Professor Griffin views the tariff controversy in the United States as likely to attract less attention in the future than in the past. "As

American manufacturers, in whose favor most protection has been granted in the past, are themselves turning to foreign trade they appear to realize that trade is reciprocal and that a refusal to buy from foreigners can only limit our sale of American-manufactured goods to foreigners. A continued shift in our comparative advantage from agriculture to manufacturing may indeed lead to a widespread demand by our farmers for protection against foreign producers of foodstuffs. In this event we should naturally expect to find the farming interests opposed by those of manufacturers as we did in England in the first half of the last century. The economic basis for such a contest, however, has not as yet been laid, nor is it likely to be in the now discernible future."

**Our Competitors and Markets: An Introduction to Foreign Trade**, by Arnold W. Lahee. Henry Holt and Company, New York, N. Y.

In "Our Competitors and Markets" Mr. Lahee, after a brief reference to the interest of the United States in world trade and foreign investment, plunges right into discussion of rather an extensive list of foreign countries. On the competitor side he discusses Great Britain, Germany, France and Japan. On the market side he discusses also Argentina, Brazil, Chile, West Indies, Central America, Mexico, China, East Indies, India and Australasia. He has nothing to say about the rest of the world.

This is not a stereotyped treatment giving simply figures of population, railroad mileage, crop production, export and import figures, and the other things that can be found in the "Statistical Abstract" and the "Commerce Yearbook" of the Bureau of Foreign and Domestic Commerce. Rather it is a wholehearted size-up of each country, a weighing of the pros and the cons from the standpoint of a man who has combined academic and business experience.

Mr. Lahee says just what he thinks about the situation and prospects of each country and handles his subject without kid gloves or much regard for the sensibilities of the partisans of each country. General Russell and the American Chamber of Commerce for Haiti will not like for a bit the things he says about Haiti. Santo Domingo gets off somewhat more easily. As for Argentina "her one-sided development insures an excellent market for manufactures, but for European rather than for American goods. Her products for exchange we do not need, except hides and skins and wool." (How about linseed and quebracho?) But on the other hand "Brazil is the economic supplement of the United States. . . . 'Our share' of Brazil's import trade depends upon our own initiative. Our position is advantageous and conditions are favorable. Brazil offers a brilliant opportunity."

Because of the socialistic legislation in Australia which tends to discourage farming and overstimulates industry, that country is not altogether promising. In fact the author comments on "Australia's economic decline." (You will never make the American automobile manufacturers, with 25 million dollars' worth of business there last year, or the American piano manufacturers, with two and a fourth million dollars' worth of business there last year, take much stock in that.) India is not seen as promising much advantage to the American exporter: a land of enormous wealth in the hands of a few, where independence might easily mean a return to barbarism.

The East Indies, including the Philippines, are looked on with favor as a field for American enterprise and investment and a source of raw materials. Japan, with her meager resources, must obtain a source of materials or ultimately suffer eclipse by China. "For the maintenance of her rights China can expect little from Japan, from her own patriots, or from the protection of



Europe. Interference by the United States must sooner or later precipitate us in a war with Japan, waged at our great disadvantage." The writer points to the flies in the amber of China as a great market. "A surplus for export, will compete rather than exchange with our goods—except silk, our second major import." (How about tea and vegetable oils?) Mr. Lahee sees the evils of China capable of being cured only by external control.

Mexico suggests chiefly a race problem with hereditary prejudices and defects working against durable democracy. Central America is presented as another field for external control. Mr. Lahee is not optimistic about Chile, except as a field for investment, and for the large investor rather than the small.

France is pictured as likely to concentrate on her colonial markets rather than to compete with American industry. Germany is shown with some of her former advantages lost, the country producing cheap stuff, with slight prospects as a competitor of the United States. And likewise, "Great Britain's competitive strength is on the decline."

There is something to shoot at in this book for everyone who has his pet foreign country. In the preface the author says: "Probably no one will agree with all the conclusions reached—but so much the better! When the book is used as a college textbook, each point of controversy may be made the subject for class debate or thesis work." As the doughboys used to say, there appear to be "bokoo" of these points of controversy.

**Manpower in Industry**, by Edward S. Cowdrick. Henry Holt and Company, New York, 1924.

An effort to cover in less than 400 pages the whole field of industrial relations, including some historical matter. Testing workmen, arbitration of disputes, recreational clubs, the theory of wages, the proper temperature of workrooms—the subjects are endless; too many, perhaps, for any one book.

**Business Mail**, by H. A. Blackman. The Ronald Press Company, New York, 1924.

We never realized until we read this book how many ways there are to misaddress a business letter. It is a very helpful book containing detailed instructions on the preparation of business letters for mailing—the kinds of envelopes to use, correct and incorrect placing of stamps, proper form of address, correct and incorrect labels for parcel post packages, the best abbreviations of states, etc.

**The History of the United States Post Office to the Year 1829**, by Wesley Everett Rich. Harvard University Press, 1924.

A thesis for a doctorate which needs no description other than its title. Well done if it were worth doing at all. The writer died in camp while a private in the Intelligence Department. Much research from sources not readily accessible has gone into this elaborate exposition of the pre-railroad Post Office Department of the United States.

**What a Business Man Should Know About Printing and Bookmaking**. W. B. Conkey Company, Hammond, Indiana, 1922.

Now presented in a revised edition, this book is a suggestive guide to the preparation of copy, the selection of type, and the choice of paper and binding for pamphlets, books and catalogs. It is published by an organization of printers for the information of men who make use of printing in business enterprises. The book includes tables which show the number of printed words to the square inch, using different sizes of type, the measurement of type set in standard book measures, and the sizes and weights of paper. A glossary of words and phrases used in the bookbinding trade supplements the chapter on the binding of pamphlets and books.



## "Protect her from door-bell swindlers"

"OH, Marion, how did you ever happen to do that!"

A glib promoter in the neighborhood had persuaded women to buy taxicabs, each paying a few hundred dollars for one. It was hard for Marion to keep cool when other women showed their "dividend" checks. So she bought a taxicab too. The dividends, of course, were paid out of her own money. The stock salesman soon disappeared. She frankly told her husband about it when he came home.

"Don't scold her," said Fred's father. "She'll learn something from this experience—and you, too. Suppose you went away and never came back. What might happen to the money you left for your family's support? More than once I've urged you to make a will and appoint a competent trust company as executor and trustee, yet you haven't done it. Protect her from these door-bell swindlers."

Nine families in ten are as dependent upon the business judgment of the breadwinner as upon his earning ability. Should anything happen to him, it would be more necessary than ever. The

wife and mother, who makes the home, has a right to make certain that the family income will be safeguarded if the breadwinner is taken away.

A trust company has the business judgment and experience of many persons instead of one. Its life is continuous, as the individual's is not. It is under state supervision, held strictly accountable for all funds and acts, and has ample resources to make good this accountability.

There are over 2,000 trust companies in the United States. Write to the nearest trust company and its trust officer will gladly advise you on these matters.

### Ask a Trust Company



for a copy of "Safeguarding Your Family's Future," a 24-page Booklet that will be helpful to you in planning protection for your family. Or, if more convenient, send your inquiry to the address below.

TRUST COMPANY DIVISION  
AMERICAN BANKERS ASSOCIATION  
110 EAST 42nd STREET, NEW YORK



## News of Organized Business

THE BUFFALO Chamber of Commerce, of which George C. Lehmann is manager, has established a sales promotion bureau equipped to answer promptly and efficiently any inquiries for products made in Buffalo and nearby cities. The bureau has been in operation more than a year and already has answered thousands of inquiries, putting prospective buyers in touch with firms that can supply their needs.

A set of information files is maintained by an assistant secretary. One file catalogues all manufacturing firms in western New York, showing products made, and also lists some jobbers and retailers. A second file, cross-indexed, shows products made in the territory and who makes them. Another file shows at a glance the number of employees of all manufacturing firms, enabling the chamber, when necessary, to work out groupings of firms by apparent size and importance. A new file is being developed to show manufacturers' agents and representatives, including brokers, and the lines sold.

One object of the elaborate files is speed of operation. Answers to inquiries generally go forward on the mail following their receipt. It is estimated that the sales promotion bureau answers approximately thirty inquiries a day. If the product asked about is made by more than one firm, the chamber impartially gives the inquirer the names of all the plants which can supply his needs, leaving him to make his choice.

Many sales have been made through the agency of the bureau. It has put engineers, contractors, and architects in touch with jobs they might never have heard of otherwise. It has aided local brokers and manufacturers' representatives to get new accounts, and has helped local manufacturers to enter the exporting business. In some cases it has been able to bring outside capital into Buffalo business and, working with other bureaus of the chamber, has helped bring new industries to the city.

An important aid in the bureau's work is the chamber's "Blue Book of Buffalo Industry," a cross-indexed buying guide for the city, circulated throughout this country and to hundreds of buyers for foreign firms, American consuls and chambers of commerce abroad.

Giving information regarding the products manufactured and sold in a city is an ordinary function of chambers of commerce, but the Buffalo chamber has perhaps gone farther than most others in carefully compiling the information for convenient reference within its own office, thus enabling it to answer inquiries more quickly, comprehensively, and accurately than it could in the days when the secretaries had to carry the information in their heads, or go out among the industrial firms of the community to get the information to answer any specific question.

—WARNER BATES.

### Worcester Keeps Tab on Doctors

THE WORCESTER chamber has opened a physicians and surgeons bureau, which in rendering a direct service to the doctors of Worcester, will serve the general public as well. The new bureau has been approved by the Worcester District Medical Society and about one hundred physicians and surgeons have already become identified with it. The bureau's service is described in the following paragraph:

When the new telephone directory makes its appearance . . . there will be found under the listing of each physician or surgeon member of the bureau, the notation "If no answer call Park 777." The individual calling Park 777 will find himself connected with the Physicians and Surgeons Bureau of the Chamber of Commerce. There he will be put in touch with the doctor he is trying to locate, provided that doctor is available. It will be the duty of the bureau to be in touch at all times (day and night) with all members, and an elaborate system has been devised to make this possible. From the doctors' standpoint this new

service bureau of the chamber is going to fill a long felt want.

On leaving his office and telephone unattended the doctor simply calls the bureau and states where he is going to be for a specified period, and how he wishes any calls handled that may come in. In addition to this, the employees of the bureau will make a careful study of the duties and habits of the various doctors so that after a short time they will be able to tell with reasonable certainty where any particular doctor may be located at any particular time.

A further description of the operation of the bureau is obtainable from the secretary of the Worcester chamber.

### Store Fleets Can Cut Mishaps

HIGHWAY accidents make unpleasant reading, says the Retail Delivery Association of the National Dry Goods Association. Reduction of accidents begins when stores begin to keep cost records of accidents involving delivery service on the highways, the Delivery Association believes.

Wisconsin has made important contributions in indicating ways for store owners to organize data on accidents affecting their own fleets. A statistical survey of highway accidents in Wisconsin during the years 1922 and 1923 includes the following items: Total number of accidents, 2,881; number of persons involved, 10,258; number of persons killed, 267; number of persons seriously hurt, 794; number of persons slightly hurt, 2,506; accidents on straight roads, 2,044; accidents on curves and corners, 479; accidents at railroad crossings, 179; accidents at cross roads, 138; accidents on hills, 34; accidents at other places, 107.

The causes of accidents were found to be: Reckless driving, 1,628; improper or no lights, 218; broken car mechanism, 151; intoxicated drivers, 154; weather conditions, 167; car on wrong side of road, 74; narrow bridges and culverts, 53; other causes, 536.

The Retail Delivery Association believes that careful drivers should be rewarded, and suggests that

Every man employed to operate a motor vehicle should be compelled to know backwards and forwards the traffic laws of the community. How do your drivers check up on this point? Some organizations have recognized the importance of these principles and have differentiated between the careless, discourteous driver and the man who observes the courtesies of the road. When a driver is given his vehicle, he receives a badge that states he is a safe driver and has had no accidents. This insignia is dignified as a mark of honor. Should the driver, through his carelessness, have a mishap, he loses his honor grade and the badge.

Another system, perhaps equally good, is to award the driver a sleeve chevron for each six months of employment in which he has had no accidents.

The Retail Delivery Association will cooperate with any store wishing to further the cause of "Courtesy and Safety on the Highway."

### Experts to Help Duval Farmers

THE AGRICULTURAL committee of the chamber at Jacksonville, Fla., has published a report that outlines an agricultural program for Duval County. The program includes a request that the city commissioners appropriate approximately \$14,000 for use in obtaining experts to advise the farmers and the raisers of stock and poultry. The proposal for the appropriation has been approved by the chamber, the luncheon clubs, and the poultry association.

The committee's program comprehends a period of from five to ten years, and is based on each farmer having from five to ten dairy cows, 75 to 300 hens, one to three brood sows, an all-year



The

sunny side  
of winter is in

# California

The journey there—  
a joy.

—just as easy as  
going down town.

4 daily Santa Fe trains  
Fred Harvey meals

—on your way, Grand  
Canyon National Park  
without  
change of  
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Santa Fe System Lines  
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Please mail to me the following Santa Fe Booklets  
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Also details as to cost of trip.



Entire Contents  
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With these  
you can buy bond paper  
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To determine the suitable bond paper in each case—from a Memo Form to the Executive Letter-sheet—to know that the paper value will be neither greater nor less than the nature of its use warrants—that takes the guess-work out of paper buying. It is accomplished by The Specification Chart—with booklet "The Correct Use of Bond Papers", and the sample portfolio of the Nine Eagle-A Bond Papers, as additional guides.

The Nine Eagle-A Bonds are basic grades, with a range covering all bond paper requirements. Each grade is produced on a volume basis—a bed rock value.

From the lowest grade—an all-sulphite wood bond, for temporary forms, to a 100% rag-content bond, for the greatest permanency, and for the finest letter-sheets, there are eight successive steps or grades—each step scientifically planned and soundly developed.

Each step or grade covers a definite group of bond paper requirements. Intermediate grades, of no economic value, have been

eliminated. This brings production and distribution costs to the lowest possible point. If you use the Chart, you buy the right paper, at the right price.

...

Confusion in buying bond paper is due mainly to the multiplicity of grades on the market. Unless a buyer can recognize the essential differences between the sulphite [all-wood] paper, and the lower, medium and higher rag-content bonds, he cannot hope to buy bond paper advantageously.

The Chart, Portfolio and Booklet, will quickly give you a good working knowledge of fundamental bond paper values. There need be no further question, either about the right paper or the right price.

We will gladly send them, if you address us on your business stationery.

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Holyoke, Massachusetts



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Each of these nine grades of Eagle-A Bond Paper is produced on a volume basis, with all the resulting economy in manufacture and distribution.

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Norman Bond	1	2	3
Telephone Bond	1	2	3
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Statements	1	2	3
Checks	1	2	3
Drafts	1	2	3
Notes	1	2	3
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Contracts	1	2	3
Receipts	1	2	3
Inter Dept. Letters	1	2	3
File Copies	1	2	3
Acknowledgments	1	2	3
Price Lists	1	2	3
Mortgages	1	2	3
Deeds	1	2	3
Stock Certificates	1	2	3
Policies	1	2	3
Inventory Forms	1	2	3
Resolutions	1	2	3
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Resolving Reports	1	2	3
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Memo Slips	1	2	3
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### KEY TO ABOVE CHART

A1—Extra First Choice 1—First Choice  
2—Second Choice 3—Third Choice  
\*Recommended for Office Lithography

Four factors are considered in the above classification: (a) Appearance, (b) Long Life, (c) Printing Qualities, (d) Probable Handling in office, in mail and in destination. First choice provides maximum service; others a slight sacrifice of one or more of the above factors, as indicated in the Grade Chart.

### THE GRADE CHART

The Grade Chart indicates the relative price-quality position of each of the Nine Eagle-A grades. These nine grades cover every bond paper need.

The Grade Chart supplements the Specification Chart, and will assist the buyer in determining whether a first, second or third choice should be made.

It is also an accurate presentation of the bond paper standards governing the nine Eagle-A basic grades.



Eagle-A COUPON BOND is recognized as 100%. The other grades are all shown in price and quality relation to it—represented by the solid black line (100%). The shaded portion (dotted) indicates the relative sacrifice in quality factors (Appearance, Long Life and Strength).

The right paper  
for the purpose



## TRUSCON MAINTENANCE MAP



A Guide to Maintenance of Buildings

Useful Information

TRUSCON

## Hang This Free Maintenance Map On Your Wall

You want to prolong the life of your building and equipment. This free map shows at a glance the answer to your maintenance problems. It is decorative as well as useful; handsomely printed in four colors; profusely illustrated; size 22" x 32"; metal edges and hanger.

A complete guide on such subjects as: water-proofing basements; preventing steel corrosion; painting brick, concrete and masonry; daylighting interiors; preserving wood floors; paints, enamels, varnishes.

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Truscon Maintenance Engineers will give you expert advice on the best methods of maintaining buildings and equipment. Their wide experience and technical training backed by our research laboratory is offered you free.

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## MAINTENANCE

## ENGINEERING

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'round garden, and a considerable part of his farm in fruits and nuts, and producing all the forage and succulent feed for all his animals.

Through the expert knowledge of the advisors retained, it is expected that all the dairymen and the poultrymen cooperating in the program will be shown how to cull and feed their herds and flocks for the profitable keeping of each cow and each chicken. No farmer will be asked to increase production unless it can be accomplished at a profit.

### Good Fellowship Cruise and Trip

A SIGHT-SEEING cruise for the membership is arranged every year by the Brooklyn chamber. The cruise this year was made to Duluth by way of Montreal. The duration of the cruise was twelve days. The enrollment was two hundred and sixty-four.

A good-fellowship trip is also arranged by the Harrisburg chamber. This year the members will visit cities in Pennsylvania, New York and the New England States.

Details of the arrangements for the two trips are obtainable from the secretaries at Brooklyn and Harrisburg.

### Envelopes Advertise Hereford

THE CHAMBER at Hereford, England, shows its belief in advertising by supplying Hereford firms with specially designed envelopes, which are used in business correspondence, the firms providing their own letterheads.

On the face of the envelope is shown an airplane view of Hereford, including the river Wye and its bridges, and the cathedral. The word "Hereford" is printed in the upper right-hand corner of the envelope. Across the lower part of the envelope are printed the words "The Tourist Center for the Wye Valley. The Shopping Center. Write Secretary Chamber of Commerce for all information about Hereford and tourists' guide book."

### Junior Chamber Rouses Voters

THE REGISTRATION of voters in Flint, Mich., was increased by the work of the Junior chamber to 6,000 over the registration for the last election. The Junior chamber divided the city into twelve zones, and a special committee directed the work of obtaining the registrations in each zone.

Local papers cooperated by printing special articles daily. Placards were placed in store windows and in street cars. Gummed stickers bearing the words "Register now" were placed on wrapping paper for bread sent out from local bakeries, and on envelopes mailed to local addresses. Periodicals and newspapers were marked with a rubber stamp inviting attention to the importance of registration. Two-minute speeches were made at the theaters and luncheon clubs. Pastors addressed their congregations on the subject.

The Junior chamber will now direct its efforts to getting out the registered vote.

### Bonus Goes to Community Fund

A FORMER service man of Grand Rapids, Mich., has given his bonus allotment to the community foundation organized by the association of commerce. He has proposed that other service men who share his views give their bonus allotment to the foundation to be used for the relief of the families of service men so long as relief is needed—after that time, according to his proposal, the contributions would be used for the best interests of the community.

### Store-Door Delivery Approved

STORE-DOOR delivery has been approved by a unanimous vote of 250 members of the Atlantic States Shippers Advisory Board, reports the National Automobile Chamber of Commerce. The action was taken after the favorable report of a special committee which had been studying store-door delivery.

The committee believed that the most important benefits to be expected from store-door



The Governor Clinton  
Kingston, N. Y.

## How Kingston Got Their Hotel

Do YOU think your town needs more modern hotel facilities? Does the financing of such an hotel present a problem? Then follow the advice and example of Kingston, N. Y.

Kingston, too, had problems. \$300,000 was needed. One week's effort by Hockenbury specialists resulted in the local sale of \$315,500 in hotel securities!

If the hotel facilities of your town are inadequate or no longer modern, ask us to place your name and the names of others interested on our complimentary Civic list, "C-11," to receive each month a copy of THE HOTEL FINANCIALIST, a journal devoted to the subject of community hotel finance.

**The HOCKENBURY SYSTEM, Inc.**  
• Penn-Harris Trust Bldg.  
• HARRISBURG-PENNA.



delivery would include increased flexibility at terminals, through handling of more merchandise, quicker movement of less-than-car-load freight, and increased car supply. Under a store-door plan, the committee thought, delivery must be optional, the carrier must assume full responsibility to and from store door, the cost should be borne by shippers and receivers, the trucking charges must be just and reasonable—reflecting the advantages to the carrier of increased terminal flexibility—and the new system should be established gradually.

Although asserting that the United States must eventually accept country-wide store-door delivery, T. C. Powell, vice-president of the Erie Railroad, said that if store-door delivery were installed on an optional basis, it might be difficult to get enough business to make it pay in competition with private truckers. Only through concentration of the greater part of the less-than-car-load terminal business under a unified store-door plan can economies be effected which would commend the plan as worth while, he believed. But he also suggested that exceptions should be made of commodities which require either unusually careful handling or unusually expeditious hauling.

W. H. Chandler of the Merchants Association of New York believes that a great many shippers would use store-door delivery service on an optional basis—a belief borne out, he said, by experience with the plan in England and Canada. There is nothing in the law, Mr. Chandler believed, that would authorize compulsory store-door delivery, and he thought that shippers would not permit a compulsory system to be forced upon them.

### Competition for Church Poster

A WORLD-WIDE prize competition for a church poster, open to any artist, amateur or professional, of any race or nationality, has been arranged by the Poster Advertising Association, Inc., with its headquarters at Chicago. The first prize is \$500; the second, \$200, and the third, \$100. The contest will close December 15, 1924. The judges will include thirteen artists, churchmen, and poster advertising experts.

The rules of the competition require that the subject must be of the universal church, not of the church of any one creed or religious belief. The association desires that the poster picture the place of the church in the advancement of civilization, and the relation of the church to human need. The legend for the poster, the announcement says, should be complementary to the picture. Any medium adaptable for reproduction in lithograph for a poster may be used, such as oil, water colors, pastels, and the like. No restriction is placed on the number of colors but suggestion is made that a judicious use of colors is advisable in a painting intended for poster reproduction.

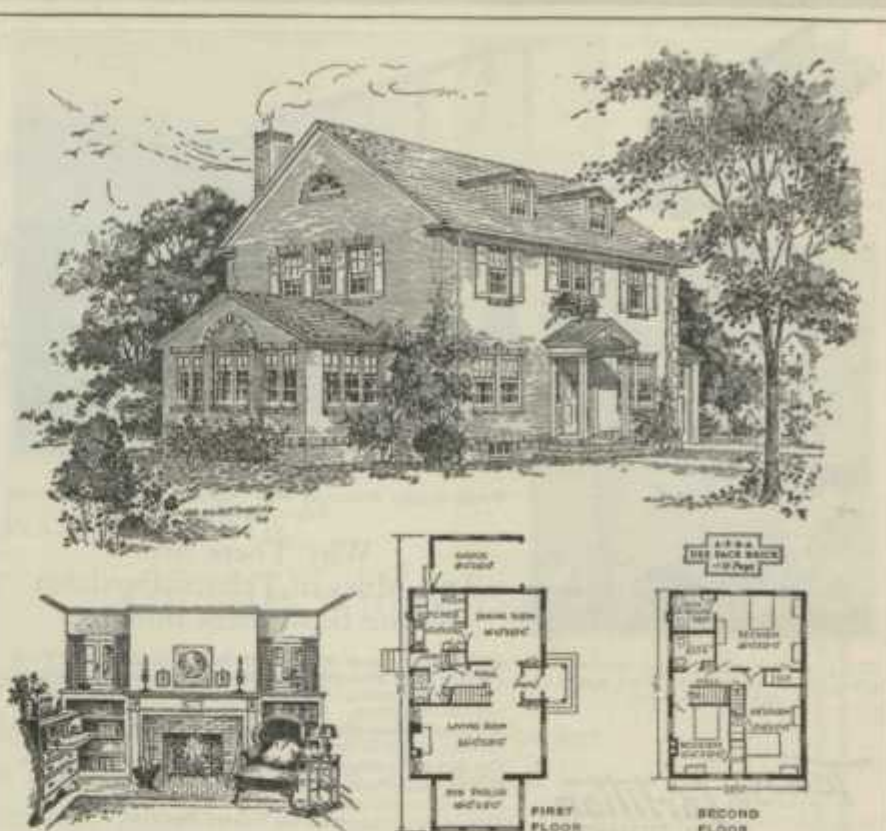
The sizes suggested for the painting are: 12 inches wide by 27 inches long; 15 inches wide by 36 inches long; 20 inches wide by 45 inches long. A three-inch white margin must be left outside the picture space. Canvas on stretcher, illustration board, pasteboard, or any self-supporting material may be used, but the pictures must not be rolled.

### College Courses in Public Utilities

NORTHWESTERN University has established a curriculum in public utilities and utilities management in its school of commerce. The university announces that this course of study is created in recognition of the increasing importance of the functions performed by modern public utilities, and the desirability of encouraging sound public relations and efficient operation and management of utility properties.

The principal studies include: Public relations, public utility accounting, public utility finance, public utility law, and public utility operation and management. The subjects will be taught by men of importance in the public utility field, and by nationally known educators.

The instruction will serve two distinct bodies of students—the regular students who will take a four-year course, and the part-time students who



SIX-ROOM HOUSE No. 61

Designed for the Service Department, American Face Brick Association

This attractive Colonial House is one of the 104 distinctive houses in our "Face Brick Bungalow and Small House Plans." Many houses from this collection have been built in all parts of the country and have elicited the most enthusiastic praise from their builders.

## Beauty That Endures

THE beautiful color tones of a Face Brick house grow richer with the passing of the years. An occasional painting of cornice, doors and window sash and your home is even more attractive than when new.

This abiding charm is but one of the economic advantages which, in the long run, make the Face Brick house the cheapest you can build.

Other factors, such as upkeep, depreciation, fuel savings, insurance rates and fire-safety are discussed in "The Story of Brick," an attractive booklet with beautiful illustrations of modern homes and packed with information of value to every prospective home-builder. Sent free on request.

"Face Brick Bungalow and Small House Plans" are issued in four booklets, showing 3 to 4-room houses, 5-room houses, 6-room houses and 7 to 8-room houses, in all 104, each reversible with a different exterior design. These designs are unusual and distinctive, combined with convenient interiors and economical construction. The entire set for one dollar. Any one of the booklets, 25 cents.

We have the complete working drawings, specifications, and masonry quantity estimates at nominal prices.

"The Home of Beauty" shows fifty two-story houses, selected from 350 designs submitted by architects in a nationwide competition. Sent for 50 cents. Complete working drawings, specifications, and quantity estimates at nominal prices.

"The Home Fires," a most attractive fireplace book, with many designs, gives full directions for fireplace construction. Sent for 25 cents.

Address, American Face Brick Association, 1730 Peoples Life Building, Chicago, Illinois.





Small display rooms in Bush Sales Building, made with Telesco Partition

### Why There Are Two Miles of Telesco Partition in the Bush Sales Building

This is what happens when plaster partition has to be moved. Two weeks of dirt and confusion.

**Telesco Partition**  
REG. U. S. PAT. OFF.  
17 TELESCOPES

SEVERAL floors in the Bush Sales Building, New York City, are devoted to display rooms for out-of-town manufacturers. They are in constant need of either more or less space. With any other partition than Telesco, the cost of these changes would be prohibitive. The dirt and confusion would be an unbearable annoyance. With Telesco Partition, changes can be made over night. A carpenter makes them with no tool but a screwdriver. Thousands of industries use Telesco Partition. You, too, will find it practical and economical. Write for full details.

IMPROVED OFFICE PARTITION CO. 33 GRAND ST. ELMHURST, NEW YORK, N.Y.



The Park Square Realty Building of Boston is another example of the general acceptance of Dahlstrom Elevator Inclosures as "The Specified Standard." In this building are found 384 sets of two-speed elevator door units quietly and efficiently serving the needs of its many tenants and visitors.



#### DAHLSTROM ELEVATOR INCLOSURES

Park Square Realty Bldg.  
BOSTON, MASS.  
Denmore & LaClear, Archts.

DAHLSTROM METALLIC DOOR COMPANY  
423 Buffalo Street Jamestown, N. Y.

NEW YORK  
25 Broadway

DETROIT  
1331 E. Main Bank Bldg.

CHICAGO  
19 So. La Salle Street

Local Representatives in Principal Cities



will be mainly employees of public utility companies, and who will attend classes three evenings a week throughout a period of four years. The regular course, including graduate work, will be largely centered in the Evanston departments of Northwestern and will lead to the advanced degrees of Master of Business Administration, Master of Arts, and Doctor of Philosophy.

#### Fund of \$100,000 for Industries

THE CHAMBER at Galveston has organized an industrial finance company with a fund of \$100,000 to be used in helping finance industries. Although the company is separate and distinct from the chamber, it will be operated by the chamber's staff with headquarters in the chamber's offices.

#### Dues Increase; Likewise Membership

THAT chambers of commerce can increase their dues, and at the same time increase their membership as well as income, is again demonstrated, this time by the chamber at Galveston. The dues of \$15 were doubled, and within thirty days 150 new members were added to the roll. A continual increase of membership is expected by reason of changing the personnel of the membership committee every thirty days.

#### Organization Safeguards Members

THE INTERESTS of every business man included in the membership of representative organizations of business men are well and faithfully served. One form of that service is appraised by *Activities*, published by the 42nd Street Property Owners and Merchants Association, Inc., New York City. Says *Activities*:

It must be with a keen sense of satisfaction that a man holding an interest either as a business man or an owner in a particular community may be able to leave that community on an extended trip and feel that his interests are being safeguarded through the combined efforts of his fellow citizens together with his own cooperation through membership in a militant, progressive association. The 42nd Street Property Owners and Merchants Association, Inc., appeals to everyone in this district holding such an interest.

#### Coming Business Conventions

Date	City	Organization
November 1.....	New York.....	American Fur Dealers Association, Inc.
10-14.....	Louisville.....	American Bottlers of Carbonated Beverages.
11-12.....	Chicago.....	National Baggage Manufacturers Association.
11-12.....	Chicago.....	Farmers National Grain Dealers Association.
12.....	Chicago.....	Life Insurance Sales Research Bureau.
12-13.....	Boston.....	National Association of Cotton Manufacturers.
12-14.....	Atlantic City.....	Eastern Ice Manufacturer Association.
13.....	New York.....	Glass Container Association of America.
13.....	Louisville.....	Bottlers Boosters of America.
13-15.....	French Lick.....	American Institute of Steel Construction.
13-14.....	Atlanta.....	Southern Sash, Door and Millwork Manufacturers Association.
15.....	Cincinnati.....	National Drug Label and Box Manufacturers Association.
15-16.....	New Orleans.....	Southern Association of Ice Cream Manufacturers.
17-19.....	Chicago.....	Automotive Equipment Association.
17-19.....	Chicago.....	Portland Cement Association.
18-20.....	Omaha.....	Mid-West Implement Dealers Association.
18-20.....	Cleveland.....	National Petroleum Marketers Association.
18-20.....	Akron.....	National Tire Dealers Association.
18-20.....	Galveston.....	Southwestern Ice Manufacturers Association.
19.....	Galveston.....	American Railway Association.
19-20.....	New York.....	National Industrial Traffic League.
19.....	Jacksonville.....	Southern Cypress Manufacturers Association.
24-26.....	Atlantic City.....	Associated Dress Industries of America.





## What bankers think of the motor car

*An Oklahoma banker writes:*

"The automobile is the greatest contribution of the age to human happiness and satisfaction; and if it is that, it is a utility of first importance.

"In this State we find that the automobile is steadily gaining favor as a means of transportation. This year in the great wheat belt the bulk of the wheat was hauled to market in motor trucks; and we observe that most of the wholesale houses and concerns that have a general distribution over the State are using automobiles almost exclusively as a means of transportation for their representatives.

"Bringing it close to home: one of our country bank representatives last week called on more than forty banks in six days' time by using an automobile. Ordinarily it would take three weeks to accomplish this in any other manner."

*A booklet will be mailed to you, if a request is directed to the  
Department of Publicity, General Motors Corporation, New York.*

# GENERAL MOTORS

BUICK • CADILLAC • CHEVROLET • OAKLAND • OLDSMOBILE • GMC TRUCKS

Delco and Remy Electrical Equipment • Harrison Radiators • New Departure Ball Bearings  
Hyatt Roller Bearings • Jaxon Rims • Fisher Bodies • AC Spark Plugs—AC Speedometers  
Brown-Lipe-Chapin Differentials and Bevel Drive Gears • Lancaster Steel Products  
Inland Steering Wheels • Klaxon Horns • Jacox Steering Gears  
Delco-Light Electric Plants • Frigidaire Electric Refrigerators

- United Motors Service provides authorized national service for General Motors accessories •
- General Motors Acceptance Corporation finances distribution of General Motors products •
- General Exchange Corporation furnishes insurance service for General Motors dealers and purchasers •



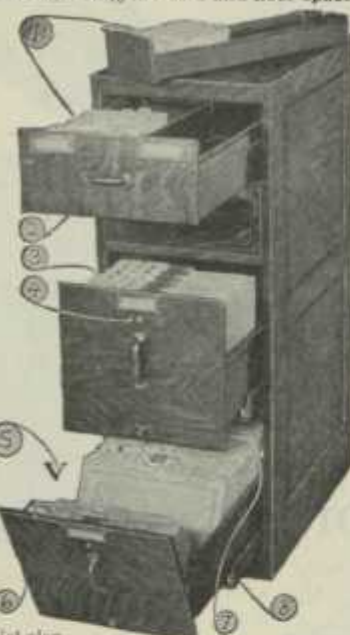
## The Only Files That Expand and Compress

You'll save half the time in filing—with Automatic Expansion; better preserve your records with Automatic Compression, and save 20% file cost and floor space.

### Exclusive Advantages

1. Lift-out card trays
2. Automatic compression
3. Safety drawer latch
4. Automatic "V" Expansion
5. Front tilts forward and follower (7) backward automatically

Read from the file



Write for free trial plan and catalogs 24N (Files), 23N (Desks), 25N (Systems)

**AUTOMATIC FILE & INDEX CO.**

E. 12th Street, Green Bay, Wis.

Chicago branch store, 40 S. Wells St.; New York, 258 Broadway; Los Angeles, 420 S. Spring; San Francisco, 601 Mission.

**AUTOMATIC**  
EXPANDING  
FILES DESKS



Economical Labor  
5 Railroads  
2 Interurbans  
Low Power Rate  
Ideal Housing  
Buildings and Sites Available

**T**HE majority of the component parts of production costs are materially lowered in Marion because of unusually favorable local conditions pertaining to labor, housing, power, transportation, etc.

Perhaps your special requirements can be met in Marion. May we prepare a special survey for you?

**The Chamber of Commerce**  
**MARION, OHIO.**

When writing to AUTOMATIC FILE & INDEX CO. and MARION CHAMBER OF COMMERCE please mention The Nation's Business



**T**HE McNary-Haugen bill is still with us as a possible bone of contention. An energetic drive—backed by farm organizations—to put the bill through when Congress reconvenes is reported by *Wallace's Farmer*, which comments in an interesting editorial as follows: "It seems that most people know but little about the causes of the recent rise in prices of corn, wheat and hogs. First, there is a definite shortage of old corn"; and "the new crop promises to be 15 per cent less than last year's and a shortage of this sort almost always causes a price rise of at least 20 per cent. Second, with wheat, there is a slight shortage in the United States, decided crop damage in Canada, and considerable damage in Europe. The world situation is easily 25 cents a bushel stronger than a year ago. Third, with hogs, it has been a clear-cut case for a year that hog production would pass its peak in early 1924. . . . Providential shortages of corn, wheat and hogs raised the prices of these products. What the business men and some farmers don't realize is that these shortages will pass away. Much as the farmer's income has been increased during the past two months, the fundamental situation remains unchanged. We still have a farm plant capable of producing in the average year a considerable surplus of wheat and hogs for Europe. Even though our corn crop should go to \$2 a bushel, the need of recognizing the principles of the McNary-Haugen bill would still be with us."

*The Washington Farmer* thinks there is no chance of the bill being passed this winter, "if Congress, with an election impending, and under temptation to play politics . . . refused" to pass it, and states the necessities thus: "The thing to do is to get back to first principles—to go to Congress and the country with a straightforward declaration that the wheat grower is in distress and is entitled to relief; that he is willing to work out his own salvation if the Government will lend him a helping hand, and all that he is asking from the Government is that it will collect the tax on the American production and out of that tax pay the export bounty on wheat sold abroad."

*The National Stockman and Farmer* presents a somewhat new angle of farm problems when it says that though prices have advanced on corn, the fact that the advance sprang from a shortage is a boomerang to the farmer considering "all the grain that must be kept on the farm to keep it a going concern. . . . High prices placed on it does not get the farmer anywhere. A farmer can run plumb against adversity with grain double the present prices; when a bad season keeps him from having a crop to sell."

On the other hand, *The Iowa Homestead* looks with satisfaction upon "the increase in price of farm products," holding that it "will do much to restore to the farmer an economic status equal to those engaged in other lines of business." But the journal knows that "the farmers . . . will not soon forget what has happened to them since 1920. They are not so gullible as to believe that their sacrifice upon the altar of deflation was not premeditated and deliberate. They know that because they were unorganized and defenseless it was possible to make them bear the heavy burden of post-war readjustment, and the squeezing process to which they were subjected has been too grievous to be dismissed with a smile, now that brighter days have come . . . There is no such thing, over any extended period of years, as a world surplus of food. When the day comes that the farmers of the United States are able, as was the Pharaoh of Joseph, to store up the wheat of the years of plenty in preparation for the in-

evitable lean years, the fair price question will be solved. As for corn, the constantly increasing uses of this grain, the limited area of the earth suitable for the culture of corn, and the small surplus, make it easily possible, with proper organization, for the corn growers themselves to guard against temporary periods of low prices due to a surplus crop in any one year. . . . Agriculture must become a stabilized industry, and nobody is going to stabilize it but the farmers themselves."

## Congress's Borderline Cases:

### Canada Wet Lists, Mexico Dry

**A**NOTHER little job scheduled for Congress is the consideration of prohibition enforcement on the borders of our country. *The Washington Post* calls attention to the reports that President-elect Calles, of Mexico, is anxious to "clean up the border" and heartily approves the idea of a 25-mile-wide dry zone on the Mexican line; and that a treaty with Canada, which will be submitted to Congress in December, promises the right to Canada to ship liquor across Alaska, in return for lists from the Dominion of the names and addresses of all bootleggers importing to the United States, together with amounts and dates of purchase.

## No Vote—No Good; No Proper

### Sense of Duty—November!

**"THE GREAT American public,"** says *The Industrial Digest*, "does not pay as much attention to elections as it should. . . . Office boys are chosen with more care than is usually given to a Presidential election" by the average citizen. "The man who thinks voting should be left for laborers and yokels will be apt to wake up some bright morning to find out that nobody but laborers and yokels did vote and that the country is being run very much to his discomfort. Then he will have only himself to blame. We believe that in some European elections the man who casts a ballot is given a button to wear, stating, 'I have voted today.' We pass the suggestion along with no great amount of expectation."

Similar denunciation of our lack of sense of the duties of citizenship as delivered by *American Lumberman*: "Everywhere in the United States many citizens are indifferent toward their civic duties; they do not vote; they are lukewarm in their patriotism and they feel no outrage when laws are broken and authority defied. This is the normal peace-time attitude toward government; and nobody can doubt that this general indifference in itself constitutes a grave danger to American institutions." These are words to reread and to ponder. Perhaps they are justified. November will tell us.

## Child Labor Evil; Amendment

### May Be Ratified by States

**S**ENTIMENT on the proposed Child Labor amendment to the Constitution, passed by Congress and now awaiting ratification by the states, is, as always, divided. *The Rural New Yorker*, voicing the sentiment attributed to farmers everywhere, says "We are opposed to giving Congress any such power," as that of prohibiting all labor to persons under 18. "While it is true that some children are put at work too early in life, and thus denied the right to a reasonable childhood, we honestly believe that far more of them are ruined because they are not put at work and given the discipline of useful labor."

*Southern Lumberman* considers ratification of the Child Labor amendment "one of the impor-





## A WindoWall Paradox

Almost as difficult as putting the camel through the needle's eye seems the task of putting this bar through the slot one-third its size.

This mechanical paradox, solved as shown at the right, produces the Fenestra Joint—a patented means of interlocking steel bars and retaining 80% of the metal as compared to 50% found in the common forms of mitered joint. This is the secret of the unusual strength of Fenestra Steel WindoWalls, the first steel window made in America.

And furthermore this Fenestra Joint symbolizes the five-fold service that is offered you by the

Fenestra organization—a service that begins with layout, accurate estimating, complete detailing, carries through the sash construction and even includes the erection if desired—a service that assumes responsibility to your contractor, your architect and to you for a complete and satisfactory WindoWall.

You will find in the local Fenestra organization near you, practical men who are prepared to confer with you at any time without the slightest obligation. Write for the Fenestra Blue Book—a 116-page catalog of Fenestra products.

DETROIT STEEL PRODUCTS COMPANY, H-2244 E. Grand Boulevard, DETROIT  
For Canada: Canadian Metal Window & Steel Products, Ltd., 160 River St., Toronto



Short length of Fenestra horizontal muntin bar, which extends from jamb to jamb. 3% of metal removed to form notch in the bottom.



Short length of Fenestra vertical muntin bar extending from head to sill. 17% of metal removed to form slot.



Vertical bar with head (on the left), and locking wing (on the right), extended to receive the horizontal bar. No metal removed from either head or locking wing.



Horizontal bar threaded through the vertical bar to a point where the notch is opposite the locking wing.



The completed joint, locking wing firmly set down in the notch, prevents side-sway and makes welding unnecessary.

# Fenestra

The Original Steel WindoWall

**This Tells  
You It's  
Fenestra**



## AN EXTRA MEASURE OF SERVICE



## COURTESY

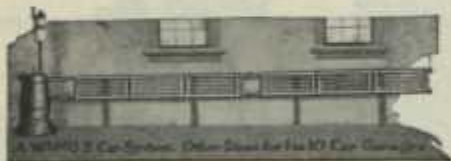
A MUCH ABUSED WORD—courtesy—often confused with politeness which is descriptive of superficial conduct. Courtesy comes from within. It bespeaks a fine regard for the feelings and rights of others and is better expressed in deeds than in words.

Courtesy is not a thing to boast of. It should usually pass without mention. But in this case mention is justified because courtesy is an ingredient—an inseparable component of the extra measure of service normal to this institution.

## The CONTINENTAL and COMMERCIAL BANKS

CHICAGO

RESOURCES MORE THAN 500 MILLIONS



### Drive In and Out of A Warm Garage All Winter

Save your car—Save gas and oil

Enjoy the same comfort that thousands have had with their WascO Systems for past 8 years. Because of the patented automatic regulation, no matter how cold the night, your garage is always warm—your car, warm and dry, ready to start.

### Self-Regulating Heater and System All-Built

You only put on a little coal once a day. You DON'T touch the drafts. Our patented automatic regulator saves on coal and prevents costly freeze-ups. All cast-iron hot water heater and radiators. You don't need a plumber; any handy man can set up. NOT connected to city water.

### Write for New Low Prices

Write today for catalog. Give size of garage and ask us for a price to you this month. WascO now made in all sizes at reduced prices.

W. A. SCHLEIT MFG. CO., INC.  
415 Eastwood Station Syracuse, N. Y.

Prepare now  
and drive in  
comfort all  
winter.

**WASCO**  
GARAGE HEATING SYSTEM  
READY TO SET UP

Also used for  
heating Offi-  
ces, Stores,  
Cottages.

## All-Expense Personally Conducted Wonder Tour of Mexico!

(Mexican Government Co-operating)

Leave Chicago and St. Louis  
Nov. 22, 1924

Arrive Mexico City in time  
for Mexican presidential  
inauguration, December 1st.

A special train of modern Pullman cars with standard sleeper, drawing room, compartment, club and observation accommodations, and dining car service, will depart from Chicago and St. Louis, November 22, 1924, with connections from Memphis, for an extraordinary tour of Mexico, a three weeks' trip, visiting points of commercial and tourist interest.

In Mexico the party will be under the guidance of Mexican and American Railway representatives.

Similar tours will be operated on January 5, February 2 and March 2, 1925.

For descriptive literature, cost and full information write—

C. L. Stone  
Pass. Traf. Mgr.  
Missouri Pacific R.R.  
St. Louis, Mo.

or  
Geo. J. Charlton  
Pass. Traf. Mgr.  
Chicago & Alton R.R.  
Chicago, Ill.

T. & P.—L. G. N.—NAT'L RYS. OF MEX.



CHICAGO &  
ALTON

Via

tant issues of Labor this fall," and quotes Matthew Woll as saying, "We regard as of particular significance the action of the Massachusetts Legislature in referring the amendment to the people to be voted upon this fall. Massachusetts is one of the states which the Republican organization counts upon most heavily. The Republican platform does not recommend ratification of the amendment. Neither does the Democratic platform, but the La Follette platform, which Labor supports, does recommend ratification. The child labor amendment... may play an unsuspected part in the determination of national results."

*Manufacturers Record* considers that "Under these conditions the average boy between fourteen and eighteen years of age would grow up in idleness... unfit to be an American citizen because he is taking no part in helping to care for his father or mother or helping to sustain himself." Rather an indictment of the average college-bred youth and his ability to qualify for citizenship!

*Commerce and Finance* calls the amendment "inherently vicious and ill-advised." It is the high age limit which this journal considers monstrous. "Child labor is one thing; the labor of all persons under eighteen is something very different."

### Shorter Day in Steel Pays Money as Well as Content

WHETHER the twelve-hour day would be feasible in the steel industry was at one time held to be dependent upon its effect on earnings of employes, as well as upon mechanical practicability.

*The Iron Age* reports large increases in earnings per year in 1924, as compared with 1923 before the elimination of the twelve-hour shift, based on a study put out by the Bureau of Labor Statistics of the Department of Labor, in the *Monthly Labor Review*. "... not over 20 per cent of the employes in the principal productive occupations in 1922 worked less than 72 hours per week, while approximately the same percentage worked as many as 84 hours per week. ... In 1924, however, practically two-thirds of the employes worked 56 hours per week, or less ... Earnings per hour in 1924 were practically two and a half times as much as in 1913."

We reprint the table giving index numbers of wages and hours in three of the principal productive occupations combined:

Year	Blast Furnaces			Bessemer Converters			Open-Hearth Furnaces		
	Customary Hours per Week	Earnings per Hour	Full-Time Weekly Earnings	Customary Hours per Week	Earnings per Hour	Full-Time Weekly Earnings	Customary Hours per Week	Earnings per Hour	Full-Time Weekly Earnings
1907...	103	88	91	102	85	86	...	...	...
1908...	101	85	86	98	79	79	...	...	...
1909...	102	83	85	102	82	84	...	...	...
1910...	101	87	90	103	86	88	99	89	86
1911...	102	89	90	101	82	84	96	89	85
1912...	99	92	90	101	90	90	98	92	91
1913...	100	100	100	100	100	100	100	100	100
1914...	97	101	97	98	90	90	97	100	97
1915...	97	101	97	98	94	94	92	104	96
1917...	98	156	152	98	151	149	99	152	150
1919...	100	250	248	95	208	218	98	239	234
1920...	93	283	238	99	241	254	99	282	253
1922...	93	191	176	98	170	176	93	202	188
1924...	75	254	190	73	227	182	74	209	199

### Pittsburgh Plus Decision— Of Vast Importance vs. None

FIFTY thousand pages of typewritten testimony are understood to have covered the findings of the Federal Trade Commission's "Pittsburgh plus" case. *The Iron Age* ironically comments—"The question arises, if an effort to show that the 'Pittsburgh plus' practice is illegal takes 50,000 pages of typewriting, how many pages will it then take to define what the Steel Corporation and its competitors may legally



do?" The report was "unfavorable to the Steel Corporation, the nominal if not the sole defendant in the case," and the decision as finally rendered directed "abandonment of the Pittsburgh Plus system until counsel for the corporation makes a report," says *The Washington Post*.

*The American Metal Market* points out that though the Steel Corporation has "abandoned the Pittsburgh Plus system of selling, fully and punctiliously complying with the Federal Trade Commission's order of July 22," nevertheless "the startling changes in market and industrial conditions that were expected to follow" did not materialize. The journal holds it unlikely that the Trade Commission's order will be contested.

From *The New York Herald-Tribune* the following is quoted by *Iron, Bronze and Wire Work News*: "It is unlikely that the order of the Federal Trade Commission prohibiting the 'Pittsburgh Plus' system in the steel industry will settle anything. The controversy involves one of those politico-economic issues—in this case more than usually complicated by sectional rivalries—which are always coming up in our industrial history and which never are settled. The Steel Corporation is expected to carry the matter into the courts; if the order should be sustained it is by no means certain that it would have any real effect on steel prices and the present system of marketing steel; and if it did, it is even less certain that the country would gain by it."

Other journals, such as *The Railway Review*, think that the order if sustained will have "a marked effect upon the commercial aspects of the steel industry of the country. . . . The effect will be to materially stimulate manufacturing of steel products and materials by independent concerns at other locations than Pittsburgh over the country."

*The Black Diamond* considers "the decision of the Federal Trade Commission . . . one the importance of which cannot be exaggerated. The mere fact that, if it is upheld by the courts, it will effect a savings to western steel users of \$30,000,000 per year is an index to the effect so momentous a change will have in many directions. In the industrial shift which is bound to follow such a great economic upheaval, coal finds itself materially affected. It would seem to work to the very definite benefit of the western coal producer."

*Farm Implement News* is glad "that the Federal Trade Commission has at last rendered a decision which we can approve without reservation. . . . The journal considers the principle upon which the system was based "contrary to American standards and for that reason . . . should be abolished."

## Market Possibilities Abroad— Machinery, Medicines, et al.

TURMOIL in China apparently does not affect importation of staples into that country, and "preliminary figures compiled from the customs statistics of the leading ports indicate actual increases in the major imports supplied largely by the United States," says *The Trans-Pacific* of Tokyo. These major imports are listed as wheat flour, kerosene oil, cigarettes (of which America supplies nearly 100 per cent), aniline dyes, and steel. Some decreases, however, appear—in machinery, electrical equipment, softwood.

*Manufacturers News* reports for Spain "further increases in foreign sales of American industrial machinery. . . . This \$469,066 increase in 1923 was distributed among the following branches": Construction and conveying machinery; mining, oil-well and pumping machinery; metal working machinery; textile, sewing, and shoe machinery; and miscellaneous machinery. "Power generating machinery, except electric, alone showed a decrease, dropping in value from \$161,129 to \$94,077."

In Italy, the same paper considers, the American specialties field is a promising one: "While sales in certain staple manufactured goods are decidedly limited on account of the keen competition from Italian and contiguous sources, Mr. McLean (the Commercial Attache in Italy) says that the spe-



## What Pioneer Boxes Are

Pioneers are boxes or crates made of thin, tough lumber and strapped with three or more steel wires of great strength. The wires are stapled on. The staples are anchored.

Pioneers are far stronger than ordinary nailed wood boxes—and from 30% to 60% lighter.

The boxes (or crates) are delivered in flat folding form. They are three-fourths made up. Time required to completely assemble, about two minutes.

When packed, close the top and twist the wire ends together with a twister. The twisted wire ends act as a seal against petty theft.

Pioneers are made in almost any style, size or shape.

## A Complete Analysis of Your Shipping Costs— Without Expense to You

Here is an offer that may mean much to you in cutting shipping costs—labor, freight and express charges. Your acceptance of it places you under no obligation of any sort.

We will send to your factory at our expense a box engineer who will make a thorough study of your boxing and shipping methods. He will submit you an explicit report detailing where and how packing and shipping improvements can be made and expenses reduced—if it be possible.

If a different type or design of box or crate will save you money and carry your product safely, we will make up one and send it to you. You can make a trial shipment in the recommended box or crate, test it every way to determine its economy and protective qualities.

If it proves satisfactory, you have an assured source of supply from the General Box Company. Our experience as the largest box manufacturing organization is at your service. Why not make use of it at once?

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Seventeen Factories Give You Close at Hand Service

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# Skinner Bros.

## Baetz Patent HEATING SYSTEM

### Best Judgment Applied Through Reliable Heating

**E**XPERIMENTING in heating equipment is costly, too often disastrous, frequently causing irreparable loss. It is a heavy premium to anchor to a healthy business. Investigation has proved that winter with its sting and icy blasts cannot be conquered with average heating. The assurance of warmth and comfort to employees, a stimulus to better production, a safeguard to property, of satisfaction and practical economy is obtained only through the installation of Skinner System of heating.

**Performs continuously resisting  
the most rigid tests with ease**



Skinner Bros. Patented Direct  
Fired Heater—D-F. Type—  
where steam is not available.

Skinner Heaters are individual compact units, they heat and ventilate and can be adapted to practically any type of air conditioning service; constructed in the floor type and the inverted type for overhead suspension. They are effective because of their scientific, simple construction. No outside pipes or ducts are used for air distribution. Fan operated by any power available. Use live or exhaust steam at high or low pressure. They are portable, require no special foundation, can be easily moved and relocated by common labor, ready for operation without delay. Completely assembled before shipment, most economical to operate and the maintenance cost is exceptionally low.

Many hundreds of leading plants, of every type, in the United States and Canada, are users of Skinner Systems and they know what it means to heat best and cost less.

#### Our Engineers Are at Your Service

Our trained staff of experts will advise, without obligation, with Executives, Engineers, Superintendents, Managers and Mill Men concerning the installation of heating, ventilating and air conditioning systems for buildings of every size and type. Satisfaction in every detail is the result of our work.

#### Among the Prominent Concerns Who Use Skinner Systems Are:

Westinghouse Electric & Mfg. Co., New York & Pennsylvania Co., Bule's Manufacturing Co., American Store Co., Roxana Petroleum Corporation, Brown Shoe Co., Morris & Co., Krey Packing Co., International Shoe Co., General Electric Co., Ford Motor Co., Fairfield Paper Co., Maxwell Motors Corp., National Enameling and Stamping Works, Standard Steel Car Co., Certain-teed Products Corp., Commonwealth Steel Co., American Brake Co., Crocker-Burbank Co.

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Sole and exclusive manufacturers of

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Skinner Bros Baetz Patent  
Heater Steam Coil type S-C.  
uses live or exhaust steam at  
high or low pressure.

cialties market offers a particularly attractive field."

Sweden has acquired a taste for American medicines, according to *Drug & Chemical Markets*. "The imports of prepared medicines into Sweden during 1923 amounted to more than \$1,000,000, of which Germany supplied over half. The predominance of German goods is attributed to the readiness of German firms to meet the demands of Swedish law which require that every box of medicine should have on it a declaration of its contents. There has been a slow but gradual increase in the importation of American medicines into that country and those that are now on sale are very popular, writes Consul Walter A. Leonard, Stockholm."

In 1923, the United States nearly doubled her exports of perfumes to Denmark, remarks the same journal, supplying 16 per cent of the trade. "The American and German products, with the exception of high-grade French perfumes, are the most expensive, and it is thought that imports from Germany for this reason have decreased somewhat during the first few months of the current year. German prices at present are considerably in excess of those of French and British and even of American products. . . . For an American concern entering the market, the most advisable method to pursue would be to place the product in the hands of a Danish wholesaler who is thoroughly versed regarding both the local situation and trade conditions. Advertising is also necessary."

*The Iron Age* says that "while the United States is supplying almost 25 per cent of Australia's total needs of foreign merchandise, according to figures compiled by the Australian customs department, covering the first quarter of the present year, the percentage of imports from the United States of iron and steel, including automobiles and machines and machinery, is much higher."

In the same paper is the information that "there has been a decided expansion in the market for machine tools in India since the World War, occasioned largely by development and extension in industrial enterprises, according to a report from Trade Commissioner J. E. Miller, Calcutta. . . . There has been some competition from Indian manufactured machine tools, especially in small lathes and drilling machines, but this does not seriously affect imports of the larger and more important types. Many American makes are copied by the Japanese, but their workmanship and finish are not comparable with the American. Both American and Japanese manufacturers have gained a firm position in the Indian market. . . . Much modern American equipment may be found among the factories and mills recently erected, being well designed for the purposes intended and growing in popularity. In some shops about half of the large tools are American, including lathes, drills, shapers, cutters, and in some cases special tools."

*The Iron Age* also reports for China that "German houses have been able to sell wire nails in the market cheaper than other foreign producers, their quotations being about 20 per cent below those of American manufacturers. The Germans have done considerable business in bars, but a fair tonnage has been going to British sellers, although their prices are about 5 per cent higher. British makers, however, are able to ship in about two weeks. Belgian exporters have been successful in booking some business, their prices comparing favorably with German quotations, especially on wire nails. Trading with Germany is facilitated by the favorable exchange, Chinese dealers assuming the risk resulting from fluctuation of the mark." In Japan—"Not that demand is lacking, for inquiries are frequent and varied, but European competition in rails and other finished products is an obstacle against which American firms can do little. . . . Further buying from the United States might be expected soon but for one factor—low European prices."

*Coal Age*, speaking about foreign trade possibilities in coal, gets down to the heart of the thing: "Foreign commerce can be built up only on service. . . . The foreigner knows next to nothing about American coals, and Americans, knowing little about foreign boilers and firemen,

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cannot afford to dismiss the problem of distribution as cavalierly as they sometimes successfully do in this country. . . . Foreign buyers are often small consumers of coal. Besides, they, like others, do not like to buy a large shipment until they have tried out the coal. If foreign trade is to be built up the shipper must be prepared to deliver in almost any quantity. It is well to be able to give the buyer a chance to see the coal. It is partly because this element of success in selling has not been observed that so far we have been unsuccessful in placing coal in large quantities in Europe."

### New Type Motor Fan May Cool the Red Hot Radical

A "MAN-COOLING" fan has been "placed on the market recently by the Buffalo Forge Co.," says *The Iron Age*. " . . . the fans are intended for service in alleviating the discomfort of workers in steel mills, foundries, forge shops, and in other applications where heat is intense."

As *Coal Age* remarks in commenting upon this praiseworthy invention, "Many a blacksmith or foundry man would do better work if kept cool by a fan. Any kind of shop man will be better contented and more active if given a breath of fresh air. . . ."

### Who Votes For Him Who Runs May Read—4,333,111 Do Not

"ACCORDING to the National Education Association," *Current Opinion* declares, "illiterate voters number 4,333,111 out of a potential voting population of about 50,000,000. . . . America is far behind many foreign nations in point of literacy. England, Germany and all the Scandinavian countries have reduced illiteracy to a negligible figure, confined chiefly to mental incompetents whereas in the United States there are 110 counties where one-quarter of the population is blind to the written page." The foreign-born illiterates number 1,763,740. Native-born illiteracy is held to be "a problem of the rural regions, especially in the South. There are 1,842,161 Negroes who have not been taught to read and write."

### Crime! More Here in Month Than London Shows in Year

SOME interesting comparisons are made by *The Dearborn Independent* between the statistics for theft and murder in London during 1923, as made public through the annual report of the Metropolitan Police of London, and those of cities of the United States: "The number of 'alleged murders' in 1923 was 27. . . . Compared with the murder statistics of large American cities this," says the paper, "is mere amateurism. Most large American cities can beat that number any month. 'No case of unsolved murder occurred during the year' . . . Thefts of motor cars" register "251 in 1923. . . ." The number of motors stolen in Detroit alone during 1923, pursues the journal, "reached the high total of 4,428."

### In Time of Prosperity Prepare For a Decade of Depression

WHATEVER present economic conditions in the United States may be, the words of Roger Babson as to the next ten years should provoke thought. *Drug and Chemical Markets* summarizes his prediction: "Commodity prices will rise somewhat over the next six or eight months, but during the next ten years a gradual descent in a very broad way will take place." As causes of such descent—"a general excess of production capacity over domestic consumption and demand for export, competition from the industries of Europe, and a general decline in wages from their present levels." The journal gravely comments—"The Babson prediction has a ring of conviction about it."



## Keeping the Telephone Alive

Americans have learned to depend on the telephone, in fair weather or in foul, for the usual affairs of the day or for the dire emergency in the dead of night. Its continuous service is taken as a matter of course.

The marvel of it is that the millions of thread-like wires are kept alive and ready to vibrate at one's slightest breath. A few drops of water in a cable, a faulty connection in the wire maze of a switchboard, a violent sleet, rain or wind storm or the mere falling of a branch will often jeopardize the service.

Every channel for the speech currents must be kept electrically intact. The task is as endless as housekeeping. Inspection of apparatus, equipment and all parts of the plant is going on all the time. Wire chiefs at "test boards" locate trouble on the wires though miles away. Repairmen, the "trouble hunters," are at work constantly wherever they are needed in city streets, country roads or in the seldom-trodden trails of the wilderness.

Providing telephone service for this great nation is a huge undertaking. To keep this vast mechanism always electrically alive and dependable is the unending task of tens of thousands of skillful men and women in every state in the Union.



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## The Trial Balance

Is essential to show the exact status of a business. It locates leaks and discrepancies. It shows where there is failure or gain.

Your health is just as important as your business. It is important to your business. You should have a trial balance made periodically of your health system. A statement of your health account might show some little thing which attention now would correct but which, if neglected, might develop into serious illness.

The time to check such diseases as Bright's, Diabetes, Kidney Trouble, is in their incipency, before they have had a chance to bankrupt your whole system.

The service of this Bureau is to be your health accountant; to take off a trial balance every three months of the state of your health, as revealed by urinalysis; to present you with a statement of your physical standing; to point out when something is amiss.

There is no trouble to you. We do the work and attend to all the details. Our laboratories are the original and still the largest in this line.

You owe it to those dependent upon you, to your business, and to yourself to have a trial balance made of your health every three months.

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Gentlemen: Please send me today, free of charge, your health protection treatise, "The Span of Life."

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# Government Aids to Business

Samples of "hardened copper" submitted to the Bureau of Standards for analysis were found to contain copper, aluminum, manganese, lead, and iron.

## Hardening of Copper Is Not a Lost Art

The bureau is inclined to scout sensational reports of discovering "the lost art" of hardening copper. From its analyses the bureau concludes that the "hardened copper" was merely an aluminum bronze—an alloy known for a good many years. An attempt had also been made to stiffen and harden the material by rolling. The result, so the bureau says, was decidedly inferior to ordinary commercial practice.

Metallurgists are familiar with the general means which may be used for hardening copper or other metals, the bureau explains. Essentially, the means are chemical in nature—alloying additions; or physical—cold workings, or combinations of the two methods.

About a half second elapses between the instant when a car driver is told to stop and the instant when the car begins to slow down through the action of the brakes—that is the time interval determined by the Bureau of Standards from measurements made with nine different drivers.

## Timing Delay In Applying Auto Brakes

A part of the time interval so determined, the bureau explains, is traceable to the reaction time of the car operator, that is, the time elapsing between the instant when the command to stop is given and the instant when the operator makes the first of the series of motions necessary to the braking of the car. The remainder of the time interval is consumed in the actual braking—in moving the foot from the accelerator to the brake pedal, in moving the pedal sufficiently to take up the lost motion in the braking system.

The importance of keeping this time element as small as possible will be understood, the bureau explains, when it is known that a car traveling at 30 miles an hour will go 22 feet in a half second. Many four-wheel-brake cars, the bureau asserts, can be brought to a stop from a speed of 30 miles an hour in a distance of 45 feet.

Numerous requests have recently been received by the Bureau of Standards for the density values of carbon and alloy steels in varying conditions of work and thermal treatments, and show the need, the bureau says, for much more information than is now generally available.

## Density Values of Carbon and Alloy Steels

A large number of specimens suitable for density determinations are now available to the bureau for its experiments, and laboratory work was scheduled to begin in October. The effects of composition, mechanical and thermal treatments on the density of iron and steel will be studied.

A method has been devised by the Bureau of Standards for the preparation of crystalline levulose from dahlias or Jerusalem artichokes at a relatively low expense. Levulose is the sweetest and one of the most nutritious members of the sugar group, with the intrinsic qualification of a staple commodity for ordinary commerce. On account of the great difficulties of its preparation, says the bureau, it has been one of the most expensive of the sugars, selling for \$30 to \$110 a pound, according to the source from which prepared.

Jerusalem artichokes are a particularly promising source of levulose, the bureau believes, because they are very prolific and their agricultural requirements are very simple. The process of preparing levulose from artichokes consists of juice extraction, conversion and clarification, precipitation of the sugar with lime, and crystallization from aqueous solution.

## Levulose Made From Dahlias and Artichokes

Each of the steps, simply accomplished under the procedure finally determined by the bureau, has required a study amounting in the aggregate to several years. The levulose produced by the bureau's process is a brilliantly crystalline substance of high solubility, somewhat less stable in humid atmosphere than cane sugar, but of great sweetness and palatability. According to the bureau's estimate, from 80 to 85 per cent of the levulose in the extracted juice may be recovered as crystalline sugar.

Flame tests were made by the Bureau of Standards on wood shingles of several kinds. The shingles were laid on open and on closed board decks.

## Flaming Brands Test Wooden Shingle Deck

In some of the tests, the brands from the burning deck were allowed to fall on another larger shingle deck, built of red cedar shingles laid on open board decks. No fire on this deck resulted.

Measurement of the brand hazard by means of a deck have been abandoned, and the brands from all flame tests will be caught in a brand collector, which has been improved so that it now retains all but a small percentage of the brands given off in the tests.

Carbon dioxide gas has been substituted for carbon tetrachloride to extinguish the brands.

Tests were made in Washington by the Bureau of Standards on 180 automobiles to determine the general braking ability of the average car on the road. The average stopping distance from 20 miles per hour for service brakes was found to be about 45 feet, and for hand brakes about 78 feet. Fifty cars were also tested in Baltimore. The general average for service brakes was found to be about 44 feet and for hand brakes about 65 feet.

Performance of Auto Brakes In Road Tests

A new service for agricultural interests and the meat trade is to be established by the Bureau of Foreign and Domestic Commerce. The service will provide weekly statements showing the trend of pork products shipped from the principal ports of the United States to foreign buyers.

## Weekly Report On Exports of Pork Products

The statements will show the exports of hams and shoulders, bacon, pickled pork, and lard, in thousand pounds, as compiled from weekly reports mailed each Saturday night from eight principal ports handling more than 95 per cent of the total exports. The figures will be issued to the press and mailed to interested persons and firms every Wednesday. Statistics for the last and the previous week, and for the accumulated part of the calendar year, will be shown.

Reports from seaboard ports will be compiled from the outward foreign vessel manifests filed at the custom house for clearance and at border ports from export declarations filed by the shippers.

A summary of the report and recommendations of a committee of the President's Conference on Unemployment is presented in "Seasonal Operation in the Construction Industries," obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 5 cents a copy.

## Ways to Lessen Fluctuations of Construction

The committee gave considerable attention to the seasonal instability of the construction business. It found that building trades workers in most American cities are employed less than three-fourths of the year, with a consequent full employment of the trades for only three to five months.

To lessen the fluctuations of the building industries from one season to another, and from year





## Eliminate Glaring Sunlight ..... from your office

*Western Venetian Blinds* overcome the difficulties of daylight control. They provide an ideal light—daylight without glare. Bright sunlight which glares through improperly shaded windows is eliminated. Daylight is reflected and diffused; softened and subdued. And ventilation is permitted without interfering with daylight control.

Only *Western Venetian Blinds* give this efficient service, and the cost is less, considering length of service, maintenance and replacement than that of any other window equipment.

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Completely Equipped with  
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- Permit regulation of daylight and ventilation.
- Eliminate the intense glare of the sun, and change bright sunlight into soft, restful daylight.
- Reduce the heat from the sun.
- Serve in place of both awnings and shades.
- Give from 20 to 30 years service at a minimum maintenance cost.
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Each ray of bright sunlight is reflected and diffused into soft, restful daylight, thus eliminating blinding glare.







## \$4.05 to Stop a Train!

YOUR train approaches your station. You feel the grinding of the brakes as friction is applied to the wheels. And you alight with never a thought to the fact that it cost the railroad \$4.05 to make the stop!

But then there are hundreds of industrial executives too, who give never a thought to what it costs to apply "brakes" to their power transmission systems. All day long, in some plants, plain bearings are "braking" against power, against production, against efficiency. They are applying FRICTION to line shafting just as surely as the brakes of your train apply friction to the wheels. And at a far greater cost, too.

Why not allow Skayef engineers to demonstrate that it costs more to KEEP plain bearings in operation than to REPLACE them with Skayef Ball Bearing Line Shaft Equipment?

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—the 4-Saving Hanger—
- 1st Saving** Skayef Hangers save from 50 per cent upward of the energy which plain bearings consume by friction. This means a saving of 15 to 35 per cent of your power cost.
  - 2nd Saving** Considerable time is saved by eliminating the necessity for replacing or adjusting bearings; forced idleness of machines and men is a cost-factor too big to be ignored.
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  - 4th Saving** There is no discernible wear of the hard steel balls and race and absolutely no shaft wear. Dust and grit cannot enter the bearings and Skayef self-aligning ball-bearings have the exclusive inherent ability of compensating automatically for shaft deflection.



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to year, the committee believes that conscious forethought in planning is necessary. Efforts to encourage long-range planning of public works deserve the support of the public, legislators, and administrative officials, the committee says. The custom of concentrating leases on a single leasing date is attacked by the committee in the belief that the custom throws a heavy burden on tenants, landlords, storage warehouse companies, and public utilities. The custom should be modified, the committee thinks.

A thorough review of Patent Office practice, and recommendations to simplify methods of procedure and to expedite the business of the office, are to be made by a special committee which includes a representative of the Chamber of Commerce of the United States and representatives of associations of patent lawyers.

The committee, as announced by Dr. Hubert Work, Secretary of the Interior, includes: A. J. Brousseau, Chamber of Commerce of the United States; Thomas Ewing, New York City, New York Patent Law Association; Henry M. Huxley, Chicago, Chicago Patent Law Association; Harry Freese, Cleveland, Cleveland Patent Law Association; Milton Tibbetts, Detroit, Michigan Patent Law Association; Jo. Bailey Brown, Pittsburgh, Pittsburgh Patent Law Association. The American Bar Association is also expected to be represented on the committee.

The Patent Office, because of a tremendous increase in the patent business during the last six years, has been unable to keep pace with the applications for patents, according to Secretary Work.

A campaign to reduce losses in domestic shipping, traceable to defective packing, is to be made by the domestic

### Shipping Losses Figure in Cost of Distribution

commerce division of the Department of Commerce with the cooperation of other government and commercial organizations. These organizations include the Chamber of Commerce of the United States, the Forest Products Laboratories, the Interstate Commerce Commission, the American Railway Association, the American Society for Testing Materials, the Postoffice Department, the National Association of Box Manufacturers, the Associated Coöperative Industries of the United States, and the Wire-Bound Box Association.

A study of the materials and methods in domestic use will be made. This study is a direct result of the study of the packing of export shipments made some months ago by the Bureau of Foreign and Domestic Commerce, Department of Commerce, at the suggestion of the House Committee on Merchant Marine and Fisheries.

Losses to railroads alone during 1922 because of improper packing are estimated at \$11,800,000, according to Julius Klein, director of the Bureau of Foreign and Domestic Commerce. It cost carriers last year \$5,000,000 for repairs to damaged containers, of which more than 5,000,000 are used in domestic shipping every year.

The study will be directed along two basic lines: First, the need for stronger and better containers to reduce loss and damage in transit; and second, the need for cutting the constantly growing costs of distribution in which packing is a considerable factor.

A cooperative agreement has been made between the Department of the Interior and C. A. Hirschfeld, of Detroit, representing a group of central power plant operators, to make a survey of present conditions relating to the use of power plant

### Refractories for Boilers May Be Improved

refractories. The survey will be made by engineers of the Bureau of Mines.

With the present high ratings at which boiler

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General Managers.....	12,665
Department Managers (Branch—Purchasing—Sales —Export, Etc.).....	11,975
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plants are operated and the increasing use of pulverized coal, which gives high temperatures, the bureau explains, the refractories now available for lining boiler furnaces are becoming inadequate. In the bureau's survey a study is to be made of the characteristics of refractories now available for use in power-plant boiler furnaces, and the conditions under which they are used, their life in operating practice under the conditions prevailing at different plants and the way in which the refractories now marketed fail to meet these conditions. The purpose of the survey is to obtain fundamental data to be used in improving refractory service.

A new edition of the pamphlet on steamship lines through the Panama Canal and to its terminal ports, and passenger connections from the Panama Canal, with fares, revised to August, 1924, has been published and copies have been distributed to all steamship agents on the Isthmus, the head offices of steamship lines using the Canal, tourist agencies, and travel bureaus.

Copies of the pamphlet are obtainable on application to the Panama Canal, Balboa Heights, Canal Zone, or Washington, D. C.

Data on the effectiveness of combustion of bituminous coal and coke for generating steam under hand-fired, low-pressure, cast-iron boilers of a type used in heating large buildings have been obtained by engineers of the Interior Department through experimental work at the Pittsburgh station of the Bureau of Mines. The experimental work has been under way since early in 1922. The effectiveness of different methods of firing the different coals tested was determined, as well as the relative value of the coals used.

The results showed, the Department says, that the bituminous coals, from the Pittsburgh and Lower Kittanning beds of Pennsylvania, and the coke were of about equal steaming value at the lower pressures, but at medium and higher pressures permissible with the equipment used, the coke had about 90 per cent of the steaming value of the bituminous coal.

The use of standard size forms and blanks in warehousing has been approved by representative warehousemen, banking and financial organizations, mercantile and manufacturing interests, and shippers at a conference with Secretary Hoover. No action was taken on the terms and conditions presented by the Simplification Committee of the American Warehousemen's Association in the direction of uniform practice, except that the terms and conditions will be uniform for members of the American Warehousemen's Association. The Association approved the work some time ago.

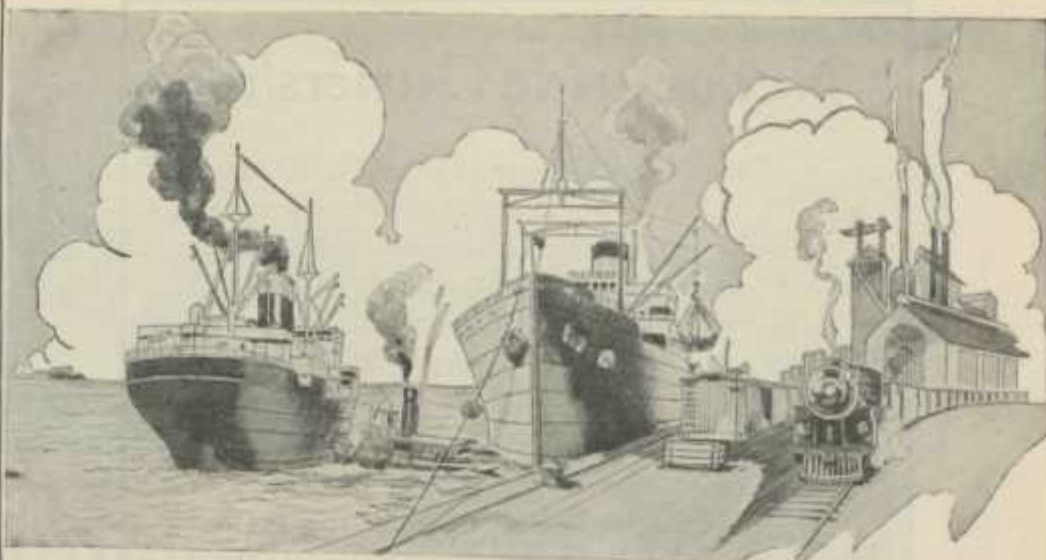
Secretary Hoover told the conference that distribution is very costly in the United States, and that reduction of the cost is only possible through cooperative action. He expressed the hope that the action of the American Warehousemen's Association would be followed by other measures to reduce the preventable waste in the distribution processes. Several speakers asserted that the lack of uniformity of blanks is reflected in the cost to the public of almost every article used in daily life by reason of the expense owing to confusion, duplication errors, and claims.

Gardner Poole, of Boston, president of the American Warehousemen's Association, W. W. Morse, of Minneapolis, former president, and A. H. Greeley, of Cleveland, all of whom have spent months working with the Simplification Committee, told the conference that thousands of types of warehousing forms had been examined during the Committee's survey. The Committee, Mr. Greeley said, had also made an investigation of all the laws affecting warehousing, both federal and state, in order that recommended forms might conform to the legal requirements now in effect.

**Effectiveness Of Burning Soft Coal and Coke**

**Warehousemen to Standardize Forms They Use**

**New Edition of Pamphlet on Steamship Lines**



## Chocolates—and Dynamos —and Dog Biscuit

The cargoes that pass at Port Newark from the overland carriers of the nation to the ships of the seven seas represent every phase of human activity. Their origin is the vast producing and manufacturing hinterland of America—their ultimate destination almost every place where civilization is known.

Served by a network of motor highways and situated at the terminus of seven of America's greatest railroads, Port Newark is the natural outlet for the products of the interior and the logical distributing center of the Eastern States. Its facilities for the speedy and economical handling of freight are not to be surpassed anywhere on the Atlantic Seaboard.

If you have not made a study of the possibilities of Port Newark for your business, by all means write today for the free comprehensive book, "PORT NEWARK," that gives full details.

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Department of Public Works

Newark, New Jersey

# PORT NEWARK

THOS. L. RAYMOND, *Director*  
Department of Public Works  
Newark, New Jersey

N-11

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City..... State.....



## Nation-wide Ownership

AN army of over 340,000 men and women scattered throughout the Union own the stock of the American Telephone and Telegraph Company. This is evidence of a very wide-spread confidence in the company and in the Bell System.

But this is not all. Employees of the Bell System at the present time have about \$60,000,000 invested in the stock of the American Telephone and Telegraph Company. Of these, 65,000 now own their stock outright and about 125,000 are in the process of acquiring stock by installment payments.



"The People's Messenger"

A. T. & T. Co. stock pays 9% dividends. It can be purchased in the open market to yield over 7%. Write for further information.



## BELL TELEPHONE SECURITIES CO. Inc.

D.F. Houston, President  
195 Broadway NEW YORK

# 160,000

business executives like yourself are reading this number of the NATION'S BUSINESS.

Have you something to sell to this audience?

Let our advertising department furnish you facts and figures.

The NATION'S BUSINESS  
Washington

Corrugated  
Boxes  
and How  
to Use Them

# Free

## Pack right—Ship right

WHETHER or not you now use corrugated fibre boxes, send for this shipping manual. The how and why of economical packing and shipping is told clearly, concisely, comprehensively.

28 Pages—80 Illustrations

This booklet will definitely answer scores of your packing questions. It's yours free by return mail.

THE HINDE & DAUCH PAPER CO.  
304 Water Street  
Sandusky, Ohio

## Chips From the Editor's Work Bench

THEATRICAL scenery and stage equipment made in the United States during the year 1923 were valued at \$1,625,668. That valuation, the Department of Commerce says, is an increase of 33.9 per cent when compared to a similar appraisal for the year 1921, the last preceding census year. To turn out these products required the labor or supervision of 278 persons. Their seventeen places of employment were located in seven states—seven in New York, three in Illinois, and the other seven in California, Connecticut, Massachusetts, Minnesota, and Missouri. Salaries and wages amounted to \$595,653.

But if the figures inform no further than to invite a bored "Is that so?" they may be the properties for musing on the frail furnishings of the mimic world. The settled ease of a long run on Broadway is no conditioner for life on the road. The trappings that give



form and substance to the stark spaces of the theater are much with the world, and their studio character is retouched, so to say, in thumb nail sketches of realism. No "set" improves with time. Age withers and custom stales its finite variety—"the harp that once through Tara's halls" may become a "prop" for a music hall; "immortal Alfred's stool" may uphold a provincial merry-andrew.

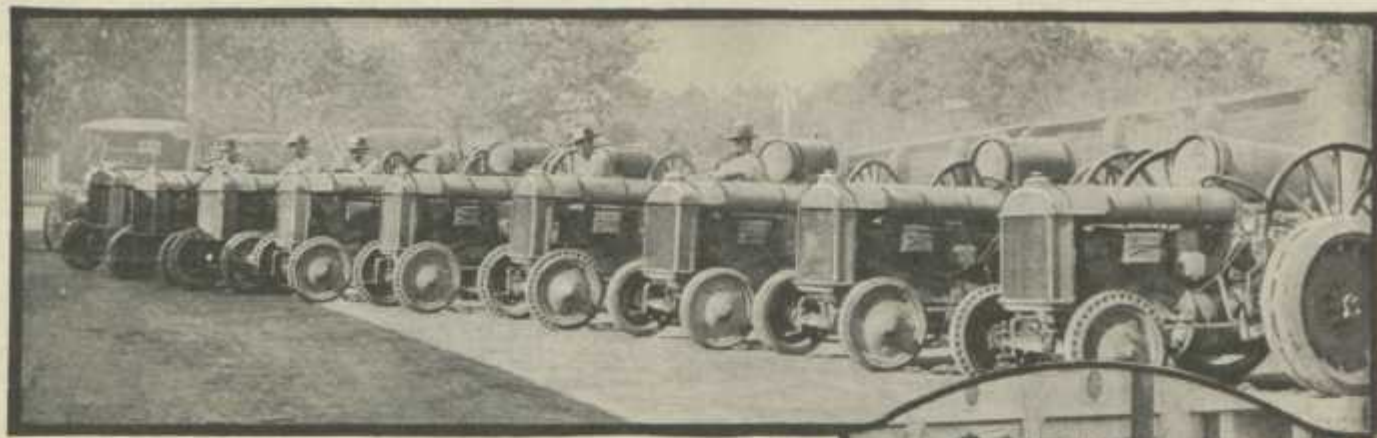
The figures say that the scenery and equipment were valued at \$1,625,668. They say nothing of the hopes, the fears that went into the properties. Are the wood and the canvas still brightly furbished with prosperity, or are they battered with lean living? Answers are to be found in warehouses packed with odds and ends of theatrical make-believe. Sepulchres of hope are those warehouses. Many are the old call boards, but few of their names now glitter among the chosen. So fancy, stirred with the pathetic clutter of the scenes, might make tributary epitaph of another fancy... "theaters stood here, now only an undistinguished heap of ruins."

IN 14-POINT type the Pennsylvania Railroad System asks "Do You Know That the Pennsylvania Railroad System Operates a Fleet of 438 Units?" And where ignorance is expected, it's folly to keep mum. So the company prints a twelve-page pamphlet to tell about its marine equipment in New York harbor, Chesapeake Bay, and the harbor of Philadelphia.

Passenger steamers, tugs, car floats, ferry boats, and lighters—438 of them, the company says—are included in the fleet. Their service provides "very essential extensions and additions to the company's rail lines and generally supplements the rail services terminating on these bodies of water."

Vessels of assorted sizes and shapes are pictured in the pamphlet. But more interesting are the pictures of officers and men—Gandy, Kirwin, McGuire, and Callis, captains courageous; Ward and Custis, engineers; Bill





Municipal Use—Street Cleaning

## Ford Products For Every Business

Ford Transportation—Passenger Car and Truck—and Fordson Power can be applied to your business at a substantial saving in time, labor, money.

Your nearest Authorized Ford dealer has up-to-date facts and figures on the cost of operating these dependable units in your business. He will gladly show them to you and at the same time arrange to give you a practical demonstration, any time, any place you name.

House to  
house  
deliveryHeavy  
Hauling

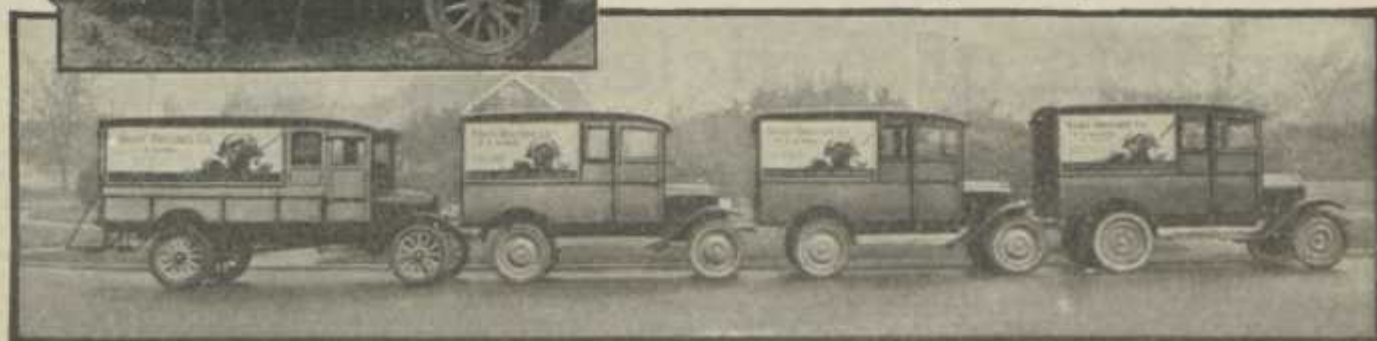
Construction Work



# Ford

CARS - TRUCKS - TRACTORS

Advertising as well as quick service





## The Whole Truth

Nothing is so false as *half the truth*. The advantage of the Detailed Audit is that it is *the whole truth*—nothing but the truth and the truth in such fullness that only one conclusion regarding the condition of your business is possible—and that conclusion—*the exact truth*.

The trouble with the ordinary audit is that it is only half the truth. True as far as it goes, but too often confining itself to surface figures and stopping without disclosing the real facts underlying the figures—facts essential to the whole truth.

So often does the Detailed Audit disclose, where least expected, facts absolutely essential to a true revelation of business conditions that we advise it—unreservedly.

In his knowledge that he has the *whole truth* of his business conditions before him, the executive finds confident power and freedom of action.

## ERNST & ERNST

AUDITS — SYSTEMS  
TAX SERVICE

NEW YORK	CLEVELAND	DETROIT	MINNEAPOLIS	LOS ANGELES
BUFFALO	CINCINNATI	GRAND RAPIDS	ST. PAUL	ATLANTA
ROCHESTER	TOLEDO	KALAMAZOO	DAVENPORT	NEW ORLEANS
BOSTON	COLUMBUS	PITTSBURGH	INDIANAPOLIS	DALLAS
PROVIDENCE	YOUNGSTOWN	WHEELING	ST. LOUIS	HOUSTON
PHILADELPHIA	AKRON	ERIE	KANSAS CITY	FORT WORTH
BALTIMORE	CANTON	CHICAGO	OMAHA	SAN ANTONIO
RICHMOND	DAYTON	MILWAUKEE	DENVER	WACO
	LOUISVILLE	MEMPHIS	SAN FRANCISCO	

TAX OFFICE: 810 TO 818 MURPHY BLDG., WASHINGTON, D. C.

Aldrich, deckhand; and Smith, who "cooks for the *Cape Charles* crew." And now that the company has put down its floating facilities in black and white, shareholders should hail them as liquid assets, not as watered stock.

**F**IVE Michigan high school seniors each won a scholarship valued at \$1,000 by writing the best essays on "The Selection of Investments." The scholarships were offered by the Union Trust Company of Detroit. Pupils in the public and parochial schools of Detroit, and in Wayne, Macomb, and Oakland Counties were eligible to compete for the scholarships. The company received 200 manuscripts. The competition is to be made permanent.

The winners may use the scholarships awards at any college or university. Ten other pupils received awards of silver and bronze medals as first and second alternates, and six received certificates of honorable mention.

All the pupils who wrote essays now know more about the selection of investments, and they know more about the Union Trust Company of Detroit . . . two hundred pupils, two hundred families talking about the company . . . commending its enterprise and its generosity.

And like as not, just as the company probably intended, people living in the territory discovered that other things besides the well-known you know, the what-do-you-call-them? are going on in the busy, bustling city of Detroit.

**W**AITERS employed by members of the National Restaurant Association are instructed to warn patrons against overeating and reckless indulgence in injudicious combinations of foods and beverages. In the association's code of ethics is a rule requiring that patrons shall not be overloaded with food, nor shall they be permitted to select inappropriate combinations of foods and bev-



verages without a diplomatic word of caution from the waiter or server.

And all the time some people have been thinking that restaurant keepers cared only about the size of the check! As though the way to a man's heart were lined with banknotes to be plucked once and for all. But wasn't there a proverb or something that ran—he who eats and can walk away will live to eat another day?

**C**OLUMBIA University is prepared to teach psychology for the advertiser. The course in the psychology of advertising, so the university announces, deals with human behavior as it may be excited and controlled through advertising. The devices and methods of advertising will be illustrated and analyzed to determine their value in arousing interest and in establishing belief.

Psychological laws will be applied to make advertisements readily understood and remembered, the announcement explains, and provision is also made for study of the mo-

## Reprints of Articles

appearing in this magazine may be ordered from THE NATION'S BUSINESS, Washington.

We will give permission, on request, for the reprinting of articles from THE NATION'S BUSINESS in house organs, or in other organization periodicals.



tives susceptible to appeal through advertising. Advertisers are continually seeking more effective methods for getting and holding consumer demand. The mind of the reader is a sort of no-man's domain to the advertiser. "No, I don't like that," says the reader, and good-will or a sale dies a-borning.

But why does the reader say "no"? Why isn't he in agreement with the message of the copy? That is the riddle. It may be that Columbia can give the answer. If so, advertisers will be nearer to complete conquest of yes-man's land—where every prospect is pleased and only "no" is vile.

**THE BARBERING** business is not what it used to be—what with upstart bobbbers setting up shop, and wavers getting 75 cents a curl. But the old guard barbers are not going to call it a bad day and quit. At Milwaukee the Organized Barbers Protective Association in convention approved a recom-



mendation for a two-year college course for all barbers . . . and in a few years barbers may be chatting as knowingly on Freud and Einstein as now on sports and politics.

**THE LONG** Island Railroad designates its locomotives by name, rather than by number. The names of veteran engineers are used. Now in service are the "Scaman Birchell" and the "Edward W. Hulse." Engineman Birchell has served the road for 43 years, while Engineman Hulse has held an express run for thirty.

The railroad company does well to give public recognition to the names of its veterans. Employers who know that "well done" is the just due for work well done invite good report of the doers.

**BELIEF** in signs is not likely to protect motorists who can't read. But even the man in the street, who usually must run if he reads, need not be literate to take heed from the autographs on the highways and byways—where accidents are daily written in blood and battered iron. Illiteracy as a cause of automobile accidents is to be appraised in connection with the conference on street and highway safety led by Secretary Hoover.

It does seem that a man should lay hold of some useful words of warning and direction before laying hold of a steering wheel. And, surely, not even the glowing eagerness of the "go-getters" would be permanently dimmed with a timely "slow" or "stop." There's no novelty in indicating the need for teaching English to the foreign-born—as some of the reports to the conference do—but there may be novelty in the teaching. Delaware and Connecticut, the reports disclose, have made promising beginnings at the determination of illiteracy as a cause of mishaps involving motor cars.

Motorists are licensed. They should be lettered. And yet.

A little lit'racy's a dangerous thing;  
Letter deep, or detour 'round the English spring;  
The signs of danger mean to say "avoid";  
But folk there are who think it just a "woid."  
—R. C. W.



## Guaranty Service in London

**T**HIS COMPANY established its first office in London more than a quarter of a century ago as the pioneer among American banks in England. The growth in the volume and scope of business necessitated additional facilities, and this Company now has three offices in the British Capital and one in Liverpool.

These offices are complete American banks, handling business in the American way, and giving our clients the advantages resulting from intimate knowledge of both American and foreign business.

The City Office in Lombard Street, and the Kingsway Office in Bush House, W. C. 2, are especially equipped to serve American commercial houses and to protect and further their interests. Our Pall Mall Office, at No. 50 Pall Mall, in the hotel, club, and shopping section, is conveniently located and renders our customers exceptional service.

*Our 100-page booklet, "Guaranty Service," describing our domestic and foreign services, will be sent to executives on request.*

## Guaranty Trust Company of New York

NEW YORK

LONDON

PARIS

BRUSSELS

LIVERPOOL

HAVRE

ANTWERP





## This famous book now FREE

**"JUST what I have always wanted!"**

Thousands say of this marvelous book—The Daily Reading Guide. Here is the famous new reading plan by which you can quickly and easily become familiar with the essential literature of the world. The Daily Reading Guide tells you exactly what to read on every day of the year.

Nine eminent educators and men of letters have created this fascinating plan. From the great literature of all time they have selected just those elements which every cultivated person should know, and they have arranged a systematic program of reading that requires but twenty minutes a day. By following this simple plan you obtain a broad grasp of the work of the world's most eminent writers, past and present. You acquire the knowledge and the culture that stamp you as a well-read person.

### Limited number of copies FREE

In order to extend the benefits of this new plan of worthwhile reading, the publishers of The Daily Reading Guide now offer a limited number of copies free. Simply mail the coupon, enclosing only 15c to help cover handling and mailing costs, and you will receive your copy of this famous book, handsomely bound in blue cloth and containing 192 pages. In addition to the complete schedule of reading for every day of the year, there are illuminating articles by eminent men of letters. Mail the coupon today, as this free distribution is limited. Address:

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Garden City, New York

Gentlemen: Please send me a copy of The Daily Reading Guide, 192 pages bound in cloth, containing the complete new plan for reading the essential literature of the world in only twenty minutes a day. I enclose 25c to help cover handling and shipping charges. There are to be no further payments of any kind.

Name.....

Address.....

City..... State.....

### HAVEN'T YOU

often wished for an understudy who would lift burdens off your shoulders, leaving you free for more constructive work, or play, yet satisfied that the old job was being handled effectively and promptly? Write Box 99, Nation's Business, Washington.

### HUMAN ENGINEERING

Railway Audit and Inspection  
Company, Inc.

Fourth and Chestnut Streets  
PHILADELPHIA

## Recent Federal Trade Cases

**M**ANUFACTURERS and importers of band instruments have agreed not to toot their own horns by subsidizing musicians. The makers and importers proclaim that they will neither give nor loan instruments to musicians by way of advertisement. Representatives of the band instrument industry subscribed to a code of ethics, and then requested the Federal Trade Commission to approve the code. The commission has accepted and approved the code so far as it relates to the subsidizing of musicians, and will take cognizance of violations of the code in that respect. Other expressions on phases of business practices within the industry have been noted by the commission as representative of the views and opinions of the manufacturers and importers.

A false and misleading impression is created in the public mind, the manufacturers believe, when the use of any make of band instrument is influenced by secret inducement of musicians. Professional musicians may be supposed to be well informed on band instruments, or to have exceptional opportunities to judge their merits. The make of instrument used, owned, or recommended by a professional musician may be thought by the buying public to reflect a free choice, and sales may be influenced by the musician's preference, the manufacturers think.

Of secret subsidies the code says:

The subsidizing secretly of prominent musicians and others by manufacturers and dealers in band instruments for the advertising value to be derived therefrom has developed or tended to develop unfair competition, improper trade practices and unfair price discrimination to buyers, and has misled the public. Such a condition of affairs is detrimental to the best interest of both the industry and the buying public.

The methods of subsidy included gifts or loans of instruments to bands, orchestras, and individual musicians; salaries to musicians, preferential discounts; special instruments at regular prices; extra plating or engraving on instruments without charge; excessive allowance for used instruments traded in; special terms of credit; subscriptions to or payments of advertising or other expenses of musical enterprises or organizations.

Seemingly, the ban on subsidies is of general application—the code says, "A secret special discount to an influential member of the village band is no different in effect from the payment of a large salary to an artist of international reputation."

**F**URNITURE not manufactured in Grand Rapids, Michigan, must not be advertised as Grand Rapids furniture, says the commission in complaints issued against two retail furniture concerns in New York City. Advertisements of the two concerns, the citations charge, were misleading and deceptive in representing that the furniture sold by the concerns as Grand Rapids furniture is for the most part made at places other than Grand Rapids, and by manufacturers in no way connected with the furniture industry of that city.

**A**CHICAGO retail lumber dealers association and its officers and members are charged with unfair competition by means of an "allotment pool." The complaint charges that the officers and members of the association entered

into a combination and conspiracy to restrict competition with the effect of increasing the prices at which lumber and other building material should be sold. In order to carry out that purpose, the complaint alleges, the officers and members of the association operating through the association adopted a so-called "allotment pool." The object of the "pool," the complaint explains, was to prorate and divide in advance the aggregate annual business of the members on the basis of certain fixed and agreed percentages. Through the "allotment pool" plan, the charge reads, the officers and members of the association have destroyed the right of the purchasing public to deal in a freely competitive market, and to obtain lumber and building material based on a freely competitive market.

**A**CCORDING to a complaint made against a Cleveland company using the words "knitting mills" in its company name, the company does not own, does not operate and is not interested in any

knitting mills, but buys the goods which it sells from other persons and manufacturers. The complaint further alleges that the company's use of the statement "manufacturers of knitted outerwear" in connection with its company name misleads and deceives the general public into the belief that persons buying from it are dealing direct with the manufacturer and are saving the profits of middlemen, when, as a matter of fact, the commission charges, the company receives the prevailing wholesale prices usually received for similar goods in the ordinary course of trade.

**M**ISBRANDING of unfinished metal pieces known to the jewelry trade as "findings" is charged against a New York platinum works. These "findings," the complaint explains, are made of platinum alloyed with other metals. The "findings" made by the concern cited, says the commission, are branded and stamped with the words "Double A. Platinum," "A. A. Plat.," and other similar wording. Such branding and stamping has a tendency to mislead and deceive the trade and purchasing public into the belief that the concern's "findings" are composed of pure platinum and not alloyed with other metals, as alleged.

**T**O USE the word "Havana" in connection with the advertisement and sale of cigars made of tobacco not grown on the Island of Cuba is questioned as an unfair method of competition by the commission in a complaint issued against a cigar manufacturer of New York City. To the commission's way of thinking, the trade and the consuming public are misled and deceived into the belief that the manufacturer's cigars are manufactured entirely of tobacco grown on the Island of Cuba. This impression is caused, says the commission, by the manufacturer's use of the words "Havana" or "Habana" on his labels and in his advertising in connection with cigars not made wholly of Havana tobacco.

**A**CHICAGO teacher of mechanical drafting through correspondence is charged with making false and misleading statements in advertising his course. Among the alleged statements that the commission questions are representations to the effect that the teacher is the chief draftsman of the Engineers Equipment Company, that the company employs a large force of engineers under his supervision, and





## Clearing the Corridors for the L. E. Waterman Company

L. E. Waterman Co., world's largest manufacturers of fountain pens, have their general offices and local retail and wholesale business on Broadway.

From the stock room in the basement to the shipping room on the sixth floor, the corridors, stairways and elevators were once full of people running about with messages. All was confusion.

This was before the P-A-X was installed.

Today there is an invariable rule that all business, except the signing of papers, must be transacted via the P-A-X. This keeps employees at their posts. They waste less time. They do more work.

The P-A-X is an isolated system for interior calls only. It affords quick, accurate and direct communication between all units of your organization for 24 hours a day. There is no operator to give wrong numbers, delay connections or "listen in" on conversations.

For nearly 2,000 organizations, in every field of business, the P-A-X has proved itself a vital necessity. It has actually paid for itself in a short time by saving operators' salaries.

Besides Interior Telephony, the Automatic Electric Services of the P-A-X include and co-ordinate Code Call, Conference Wire, Executives' Priority Service, etc.

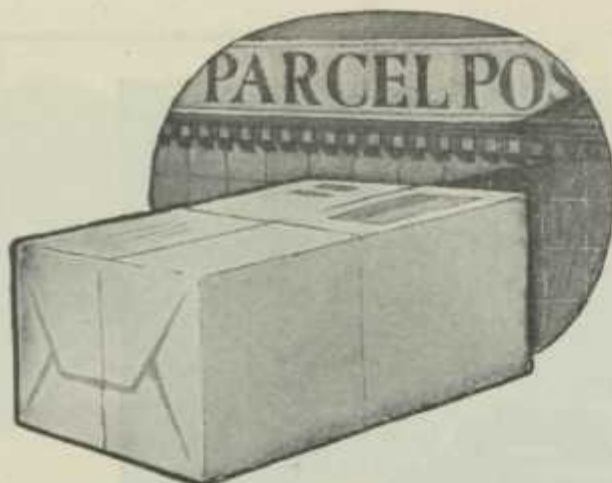
*The P-A-X is similar to the Automatic Telephone equipment being so widely adopted for city service. It augments and completes but neither supplants nor connects with local or long distance telephone service.*

## Automatic Electric Company

Originators of the P-A-X. For more than 30 years the engineers, designers and manufacturers of the Automatic Telephone in use the world over. Home Office and Factory, Chicago, Ill. Branch Offices: NEW YORK, 21 East Fortieth St.; CLEVELAND, Cuyahoga Bldg. Representatives in all principal cities. In Canada—Address: Northern Electric Co., 111 Shearer St., Montreal, P. Q. Abroad—Address: International Automatic Telephone Co., Norfolk House, Norfolk Street, Strand, London, W. C. 2, England. In Australia—Address: Automatic Telephones, Ltd., Mendes Chambers, Castlereagh St., Sydney, Australia.







## What is it worth?

EVERY parcel post package you send represents a certain sum of money. If it is lost or damaged—as many packages are—the cost of replacement doubles your loss. Unless—

You automatically insure by enclosing a North America Coupon. The stub is your shipping record.

Inquire about the North America's new low rates on Parcel Post Insurance.



### Insurance Company of North America

PHILADELPHIA

"The Oldest American Fire and Marine Insurance Company"

Insurance Company of North America  
Third and Walnut Sts., Philadelphia, Pa., Dept. N-11

Name \_\_\_\_\_  
Street \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

Wants information on Parcel Post Insurance

that he will place his pupils in positions at salaries of \$250 or more a month. Those representations, the complaint asserts, cause many persons to enroll as pupils of the teacher under the mistaken belief that on completion of his course they will be placed in lucrative positions. Despite his representations, the complaint contends, he has been able to obtain employment for only a small number of his pupils, and at salaries far below \$250 a month.

CLOSELY simulating the containers used by a competitor in the marketing of a salad oil is charged in a complaint issued against a Chicago packing company. The company sells food products, including cooking and salad oils, to retail dealers located throughout the United States. Among its products is a salad oil sold under the name of "Granola." The complaint charges that "Granola" is packed, shipped and sold in containers bearing a design printed in yellow and brown, and prominently displaying the name "Granola." These containers, the commission says, closely resemble in general appearance, color and design, containers for a salad dressing manufactured and sold by the Corn Products Refining Company, under the name of "Marola," which, the commission says, had been on the market prior to "Granola." The company, according to the commission, has suggested to retail dealers that "Granola" might be passed off to the consuming public in place of "Marola," and by that suggestion, the commission contends, the packing company has placed in the hands of many retail dealers the means of committing a fraud upon the public.

MISBRANDING of blankets is charged against a manufacturing concern of Boston and its selling agent in New York City. Cotton blankets made by the Boston concern and sold by its agent contained no wool, but were labeled "wool finish," the commission contends. The labels, according to the complaint, are designed for the use of retail dealers in their sales of the blankets to the ultimate users. The complaint further charges that the labeling of the blankets in the manner described in the complaint is false and deceptive, and misleads a considerable part of the purchasing public into the belief that the manufacturing company and its sales agent are selling blankets composed wholly or in part of wool.

A TOLEDO manufacturer of spark plugs is charged with using a system of merchandising for the fixing and maintenance of certain specified uniform prices, and with enlisting and obtaining the cooperation of distributors and retail dealers in enforcing its price plan. In applying its price maintenance system, the company—to use the language of the complaint—

Solicits and secures from its customers reports and complaints of the prices at which its products are being sold in their respective markets; threatens to refuse to sell its products to those who fail to observe and maintain its resale prices; requires distributors desiring to open accounts with respondent to enter into written contract wherein such distributors declare their approval and purpose of adhering to respondent's schedule of resale prices.

A PROHIBITORY order has been directed to a bond and mortgage company of Detroit. The company, so the commission says, is principally engaged in the sale of bonds and notes executed by and being the obligations of individuals and corporations. These securities, the findings assert, are sold to purchasers in the United States and in foreign countries.

The commission in its investigation of the case found, it says, that the company in its advertisements caused to be prominently displayed its corporate name "Federal Bond & Mortgage Company," and also used the slogan "Federal Bonds Are Better Bonds." The words "United States of America," and the word "Federal" were prominently displayed on the bonds sold by the company, the commission says. The company's method of advertising, the findings

### Mortgage Replacement

Borrow to build if need be, but insure to protect and complete the transaction if you should die.

It is unfair to leave your wife and family without funds to complete the payments and prevent possible foreclosure and loss of your equity.

A Life Insurance Policy for the amount of your Mortgage will make the Home secure in event of your death.

Through an Endowment Policy funds may be accumulated to pay off the Mortgage at the end of ten, fifteen or twenty years. In the event of your death in the meantime the policy will guarantee the payment of the Mortgage.

*John Hancock*  
LIFE INSURANCE COMPANY  
OF BOSTON, MASSACHUSETTS

Over Sixty Years in Business. Now insuring over One Billion, Eight Hundred and Fifty Million Dollars in policies on 3,300,000 lives.

### PATENTS

Hand Books on Patents, Trade Marks, etc., sent free. Our 78 years of experience, efficient service, and fair dealing assure fullest value and protection to the applicant. The Scientific American should be read by all inventors.

#### MUNN & CO.

602 Woolworth Building, New York

Tower Bldg., Chicago, Ill.  
Scientific American Bldg., Washington, D. C.  
Hobart Bldg., 342 Market St., San Francisco, Calif.  
Van Ness Bldg., Los Angeles, Calif.



An organization of skilled calculating machine operators is at your service to compute inventories, summaries, classifications, statistics, etc., in a minimum of time, accurately and economically, in your or our offices.

ATLAS CALCULATING SERVICE

19 W. Jackson Blvd.

CHICAGO



charge, created the erroneous impression that the bonds so advertised were obligations of the United States Government, or that the Government stands sponsor for the bonds, but the commission says it found that the company is not connected with nor is its business supervised by the United States Government.

The order requires that the company discontinue:

Using the phrase, "Federal Bonds Are Better Bonds"; using the word 'Federal' alone in designating or referring to any plan of issuing or marketing the securities dealt in by the company; stating, either orally or in writing, that the bonds or obligations dealt in by the company are free from federal normal income tax or any other governmental tax, if they, or any of them, be subject to such tax, notwithstanding any agreement by the mortgagor or obligor in any such bonds or obligations to pay any such tax; marketing any bonds on which appears the phrase 'United States of America' or the likeness of any person whose portrait has been or is engraved on the currency or postal issues of the United States.

**COOPERATING** together and with others to confine the distribution of groceries and allied products to what are designated "legitimate dealers" is a charge made by the commission against a wholesale grocers association of Little Rock, Arkansas, its officers, and five corporations organized under the laws of Arkansas. The organizations and persons named in the complaint sought to prevent so-called "illegitimate" dealers from obtaining grocery products from the manufacturers, the commission contends. Further allegations are to the effect that various methods were used to encourage and support the maintenance of uniform resale prices.

**TWO** New York business men, engaged in buying and selling grapes, are charged with unfair competition because, the commission says, their firm name is calculated to and does deceive and mislead persons engaged in the business of buying and selling grapes, and also the public generally, into the belief that their firm and a competitor marketing organization in California are one and the same, or that they constitute the sales agency of the California organization; and that purchasers of grapes are caused to deal with them under this mistaken belief, thereby diverting trade, the commission says, from the California organization to its injury.

**THE** commission finds, it reports, that the word "engraving" when applied to social and business stationery is understood by the public to designate only the stationery produced from an impression made from an engraved plate on which has been stamped, cut, or carved designs or inscriptions from which the reproduction is made.

After a full hearing the commission has issued an order directed to a concern of Linesville, Pennsylvania, prohibiting the use of the terms "process engravers," "process engraving" or the words "engraving," "engravers" or "engraved" in their advertisements or upon their business stationery to designate or describe stationery sold by it, the lettering, inscriptions, or designs of which have not resulted from impressions from engraved plates or dies.

According to the commission's findings, the firm's products advertised as "process engraved" or other similar designations, are in no way the result of a process including impressions from engraved plates. The so-called engraving, the commission maintains, is produced by applying a chemical in powdered form to type printing while the ink is still wet. The chemical adheres and the stationery is then cast through a baking process which causes the chemical to fuse with the ink and present a raised-letter effect, according to the commission, resembling in appearance the impressions made from engraved plates commonly known as engraving.



## When Foresight Pays One Thousand Per Cent!

The Van Dorn Safe shown above had been standing in the room for years. Each night it opened up its doors and received the vital records of the firm. Each morning it returned these records safe to its owner.

Then one night fire broke out. Everything inflammable was damaged or destroyed. But when the doors of the Van Dorn Safe were opened, there were the vital records of the firm perfectly preserved—including the records needed to prove losses to the insurance company. *And the business was ready to go on, even without a factory or a stock of goods!*

The time to seek protection is *before* and not *after* you need it. Put Van Dorn Safes in *your* office and insist that all your vital records be placed in them *every* night.

The Van Dorn Iron Works Co., Cleveland  
Branches: Cleveland New York Chicago Philadelphia  
Washington Pittsburgh

# Van Dorn

MASTERCRAFTSMANSHIP  
IN STEEL

*When writing to THE VAN DORN IRON WORKS COMPANY please mention the Nation's Business*





## "The Man Who Receives It Will Read It"

THIS is what the advertising manager of The Progressive Farmer and Farm Woman wrote to us after having put into circulation several hundred copies of the Dixie Data Book shown above:

"We have put enough of these books into circulation now to know that the cover is a 100 per cent guarantee that the man who receives it will read everything inside of it."

What is it worth to you to know that the people you wish to reach will read what you send them? Busy executives, buyers of large space, let other work wait while they read the Dixie Data Book.

A Molloy Made Cover will do as much for your catalog or sales book, or your tabulation of important facts relating to your business. While Molloy Made Covers, with their sturdy durability, their rich coloring, and their "feel" like heavy leather, will impress you as being expensive, you will be astonished at their moderate cost.

Send us the details as to number and size of pages in your next book, and a sample of your last one, and let us submit a design for a Molloy Made Cover that will insure its careful perusal by the prospective buyers to whom you send it.

Molloy Made Covers are made only by

**THE DAVID J. MOLLOY COMPANY, CHICAGO**  
2361 North Western Avenue

Prospect-Fourth Building, Cleveland  
1820 West 38th Street, Los Angeles

300 Madison Avenue, New York  
Carlton Publicity, Ltd., London

# MOLLOY MADE

Commercial Covers  for Every Purpose

REPRINTS of the first five chapters of "Things to Tell Your Men," by George E. Roberts, from the June, July and August issues of The Nation's Business, in booklet form, will be mailed on receipt of \$3.00 for each hundred copies ordered.

The NATION'S BUSINESS—Washington

**R. L. CROFTON & COMPANY**  
Certified Public Accountants  
Specializing in Tax Practice  
29 South La Salle Street  
CHICAGO

**MAIN and COMPANY**  
Accountants and Auditors  
PITTSBURGH HARRISBURG  
NEW YORK PHILADELPHIA

**\$63,393 from One!**  
Letter

\$63,393.00 worth of merchandise sold with a single one-page "form" letter at a total cost of less than \$100.00. Send 25c. for a copy of *Postage Magazine* and an actual copy of this letter. If you sell, you need *Postage* which tells how to write Sales-Producing Letters, Folders, Booklets, House Magazines. Subscription \$2 a year for 12 numbers full of selling ideas. Anything that can be sold can be sold by mail.

POSTAGE—18 East 18 St. — NEW YORK, N. Y.

When writing to the above advertisers please mention the Nation's Business



A GREAT industrial engineer once told me that every job, big or little, may be divided into three parts, as follows:

GET READY  
DO IT  
CLEAN UP

On reflection, his analysis does seem to be correct—whether the job is brushing one's teeth or building a skyscraper.

PROPRIETORS of chain-stores and mail-order firms long ago discovered that demand for various articles has a surprisingly large variation according to locality.

In parts of the South, dark linoleums sell much better than light-colored ones—for a reason that might never occur to the reader. The darker patterns have less color pigment in them, and a greater proportion of cork. Consequently they are warmer to the feet than the lighter-colored designs. In sections where many people are in the habit of going barefooted, these darker and warmer colors are most popular.

THE BEST grades of canned goods sell best, in proportion to the population, not in the East, but in Utah, Montana, Colorado and Texas. In those states there is comparatively little irrigation and a drought spoils the gardens. Since they must eat canned goods throughout a large part of the year, they want the best. In the Middle West, consumers of canned goods prefer smaller fruits, such as cherries, plums, raspberries and strawberries, while in the East people lean more toward peaches and pears. Canned squash sells well in New England—simply because New England folks have got into the habit of eating canned squash. Green asparagus has the call in Boston, but white asparagus in Chicago.

Demand for preserved fruits varies, too, according to nationality. Jewish people eat many prunes; Italians and Greeks care little for prunes, but like dried apricots and peaches. In the long run, canned vegetables sell better in smaller cities than in big cities—because the smaller places do not have fresh vegetables shipped in the year around.

MANY clothing habits appear to have no particular reason back of them, but are just habits. In summer, muslin underwear prevails in the South, but light woven underwear of similar weight has the preference in the North.

THERE is a reason why white stockings are about the only kind merchants can sell in a certain Oklahoma town. For years the town has suffered from a vexatious flea pest. With white stockings on, one may estimate roughly at a glance just how many more





Bright Streets are Busy Streets

Westinghouse

**BUSINESS FOLLOWS LIGHT**

Westinghouse

You'll find the bustling crowds on well-lighted thoroughfares—the pleasure seekers, the shoppers, the visitors.

It's there you see the successful stores, the popular hotels and the patronized theatres. Prosperity follows modern street lighting—real community advancement never comes first.

Well-lighted streets benefit the whole city—the residence sections as well as

downtown. They bring new population, new capital; and safety and satisfaction to all the citizens.

Modern street lighting deserves your encouragement. Support the movement for better lighting, all over the city.

How well and economically it can be done may be learned by addressing the Westinghouse Illuminating Engineering Bureau in care of any Westinghouse office.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY, Offices in all Principal Cities, Representatives Everywhere  
Tune in with KDKA—KYW—WBZ—KFKX

# Westinghouse

©1924, W. E. & M. Co.



"What a whale of a difference  
just a few cents make!"



—all the difference  
between just an ordinary cigarette  
and—FATIMA, the most skillful  
blend in cigarette history.

**NOTE: Tear this out  
and send it to a business friend**

To the United States Chamber of Commerce,  
Washington

Send me the NATION'S BUSINESS, your official monthly publication, beginning with the NOVEMBER number. Bill me later for \$7.50 for the three year term-subscription (OR: I enclose remittance with this coupon).

NAME.....

ADDRESS.....

CITY AND STATE.....

When writing to LIGGETT & MYERS TOBACCO COMPANY please mention the Nation's Business

fleas have alighted than might be considered a reasonable supply.

**I**N LUMBER regions of the Northwest, where red flannels might be expected, men want their heavy woolens to be white, because of a kind of superstitious notion that dyeing reduces the warmth-giving qualities.

**I**F A STORE sells more white blankets than gray, red or tan, it is a fairly safe assumption that a majority of the store's customers do not do their own washing. Women who are obliged to wash their own blankets naturally find an advantage in colors.

**F**OR A LONG time a thoughtful druggist wondered why a highly meritorious tooth paste in his stock did not sell. One day a woman came in to buy tooth paste, started to indicate the brand the druggist had been wondering about, but flushed a bit and changed to something else. Then it came out that she was not sure she knew how to pronounce the French name of the brand she really wanted. After that the druggist had printed a little sign for that counter, on which he gave the correct English pronunciation of all tooth pastes, perfumes and other toilet articles bearing French names.

**B**USINESS experts declare that money made during the war by those who had not previously known wealth is now mostly back in the original hands. Few men save the first money they acquire—at least not if that first money comes too easily. They begin to have an exaggerated opinion of their abilities and take chances which soon end in financial disaster.

**N**EARLY every live business men's luncheon club employs speakers at one time or another, to come and talk to them on the subject of 100 per cent Americanism. I never met anybody who seemed to know exactly what 100 per cent Americanism is, but surely, whatever it is, successful business men are presumably the very ones most likely to have it. Hence, if there is any group not in need of having such gospel sold to them, it is the membership of a business men's luncheon club.

**A**FAMOUS New York editor has often been assured by his friends that while he does well enough as a writer he has no business sense. A few years ago, it occurred to him that it might be advisable to buy a few lots in Jersey City near the outlet to the Hudson tubes. He based this partly on the fact that the tubes, reaching two states, were in interstate commerce and could never be controlled by the city. Moreover he learned that the cost of building such tubes has advanced so much that there is no likelihood of competition for many years. This he thought would direct traffic to Jersey City and gradually make lots near the opening of the tubes extremely valuable. His business friends assured him that such increase in value was already anticipated and that he would be wiser not to buy. But he went ahead and bought several lots at \$15,000 each and made a present of them to his wife. Today the lots are under a long-time lease and the income from each is about \$45,000 a year, or 300 per cent annual profit!

**I**N THESE days of business specialization even in retail selling, it is a downright pleasure to find a man broadgauge enough to



handle an enterprise such as is suggested by a sign I saw on the front of a store in Readfield, Maine. As nearly as I can recall, the sign mentioned: Groceries, Hardware, Men's Furnishings, Horse Goods, Shoes and Real Estate.

I SHOULD like to show in this column that the world is rapidly getting better and everybody becoming more honest. But recent figures from fidelity companies indicate that people are growing less honest. These fidelity companies make a business of insuring big firms against losses through dishonesty of employees. In 1917 the total losses in the United States made good by fidelity companies were 25 per cent of the premiums they had charged. Six years later, in 1923, this ratio of losses to premiums paid had risen to 34 per cent. However, this change may not be due to increase in dishonesty so much as to greater carelessness in investigating records of employees. This, in turn, may be due to more competition among fidelity companies for business which has also shown a tremendous increase. The premiums collected in 1917 were about \$10,000,000 and this had grown in six years to almost three times that sum.

EVERYBODY who spends much time in hotels must be impressed with the fact that even in these days of standardization, when hotel equipment and even menus all look about alike, there is still a vast difference in hotel service. This difference is due entirely to the human element. One manager is able to surround himself with men having imagination; another manager thinks that all he needs is a good physical plant and routine assistants who will follow rules.

In one of the first-class small hotels of New York, where the trade is of a less transient nature than at most of the larger places, all bellboys, elevator boys, and the head waiter are required to know each guest by name, if the guest remains longer than a day. It is a small courtesy, but extremely flattering to the guest. He feels as if he must be a person of importance.

At another hotel, scarcely a block away, if you order breakfast sent to your room, there will invariably be no water on the tray. When you ask for water it is brought not by the waiter who carried in the breakfast, but by a bellboy. Hence you must tip the waiter and also the bellboy. It is an arrangement among the employees, irritating to the guests, but which the management nevertheless seems to wink at.

AS ANOTHER example of difference in hotels, I am reminded of the experience of William L. Ross, a bond man of Chicago. Within the same month, Ross made two trips to New York. He went to two different hotels, having the same scale of prices, equal quality of food, and, to all appearances, one just as good as the other. While at the first hotel Ross received a call from a man with whom he had important business. He was in his room at the time, but in some way the telephone operator failed to call the right number, reported that there was no answer, and Ross failed to see his man—with the result that he nearly missed making a deal involving thousands of dollars.

On the next trip he went to the other hotel. The clerks there had never seen him before and did not know his line of business. Not long after his arrival, a number of telegrams came for him, and five or six letters. The hours went by and Ross did not come in

**The Black Book  
of  
Opportunity**

*How  
One Manufacturer  
Saves \$5,000.00 on  
One Small Part*

*Pressed Steel Cut the Weight 33 1/3%  
Pressed Steel Solved a Breakage  
Problem  
are but a few of the black  
book's secrets.*

*Yes, prosaic in appearance—a black leather book containing a group of ordinary photographs that mean nothing in themselves. Yet there's more romance—profitable romance for the user of cast parts who will listen to the complete story in the black book, than in a ten foot shelf of the most romantic works you can name.*

### **The Way To See It**

The black book of opportunity is not for sale—not even for loan. It is shown only by request to those manufacturers who now use castings but who want to know more about the saving possibilities of pressed steel.

One of our consulting engineers,

who knows pressed steel redevelopment from A to Z, is willing to match his time with yours, at your convenience, to show you how the opportunity presented by the black book can be applied to your own business. It might be well when you ask him to call to send with your request a sample or blue print of some cast part you are now using.

### **THE YOUNGSTOWN PRESSED STEEL COMPANY**

*"Pioneers in Pressed Steel Redevelopment"*

NEW YORK—50 East 42nd Street Warren, Ohio 1644 Straus Building—CHICAGO





# Goals reached . . . . *through coupons*



Leisure. Independence. A steady income. Whatever your goal, gain it through investment in high grade bonds. They keep your money working for you at a time when you are through working for it. We can recommend bonds at any of our offices in 50 leading cities. Write for our monthly list.

## THE NATIONAL CITY COMPANY

National City Bank Building, New York

BONDS

SHORT TERM NOTES

ACCEPTANCES

## Book by Julius H. Barnes

"The Genius of American Business" is the book's title. Sixteen chapters that take the dullness out of the cold, dry subject of *Economics*. Mr. Barnes, former president of the U. S. Chamber of Commerce, *paints pictures in your mind of the infinite romance in American business*. The book is blue cloth bound, gold stamped, pocket size, 150 pages, and comes to you post paid for \$1.00. Write your name and address in the margin below this advertisement, attach your check for \$1.00 and send to

**The NATION'S BUSINESS**  
Washington

*When writing to THE NATIONAL CITY COMPANY please mention the Nation's Business.*

to claim his telegrams. It occurred to the clerk—a super-clerk he must have been—that Ross should see those telegrams. They might be of the utmost importance. The letterheads on two or three envelopes indicated that Ross might have dealings with certain New York bond houses. So the clerk put in telephone calls of inquiry at those places on the chance of getting track of Ross. It so happened that he found him. Ross has never got over being impressed with that, and, as he is a rather gifted talker, it would be difficult to estimate how much good he has done that hotel through conversational advertising.

ON THE other hand, I recall an experience at a hotel in Toledo. One morning, while a guest there, I asked the porter to find out if a certain train I wished to take was on time. The porter called up somebody and told me the train was two hours late. So I laid plans accordingly and frittered away an hour talking with my friend, Grove Patterson. Then I went back to the hotel, asked again about the train, and the porter told me it had gone—gone out only five minutes late. I went at once to the manager's office in a high state of vexation. He smilingly explained that they often got train reports from irresponsible persons at the station, but as the hotel made no charge for giving out the information—doing it simply for accommodation—they could not be responsible for errors. And he went ahead opening his mail. He felt conscience-clear and was willing to dismiss the affair with a wave of the hand. He was a poor manager not so much because he gave faulty service as because he failed to recognize that it *was* faulty.

THE LATE George C. Boldt, founder of the Waldorf-Astoria, used to have brought to his desk each day a list of all guests who were ill. When the illness was of any consequence—enough to keep the guest bedfast for more than a day—Boldt was quite likely to go to the room and make personal inquiry about the guest's progress toward recovery. If it was a woman he usually sent a bouquet of flowers.

"Courtesy is the cheapest thing in the world if you provide it yourself," Boldt used to say; "but the most expensive if you try to buy it."

### His Honor, the Ump, Testifies

SOMETIMES when I hear the anti-golf crowd bemoaning the fact that we're putting too much play into our business nowadays, I am tempted to parry with the thought that we're putting too much business into our play.

At least, this is a most pertinent time to advance such a theory with Washington paying homage to the first baseball team to capture the American League championship and rooting for the overthrow of the New York Giants in the world's series.

It seems to me that the dollar-mark is getting too much prominence in the box score, if you get what I mean, with all this talk of bankers' salaries for players, gate receipts of \$185,000 for a single game, speculators asking \$30 for a ticket that cost only \$3.30.

Anyway, the old game isn't what it used to be, nor am I alone in such a conviction. It was only the other day that I sought out an authority and asked an umpire friend of mine, "What's the matter with baseball?"

"Why," he replied, "I ain't been chased out of a ball park for three years and I ain't had one close decision protested this season. To tell you the truth I'm ashamed to show my head. They ain't a pop bottle mark on it."—L. A. B.





Board Room, Federal Reserve Bank, San Francisco.  
Courtesy Crittall Casement Window Company.

## "How Much Will It Cost?"

**T**HE higher executive reserves the right to spend his own money. It may not take him long to say "Yes" or "No," but either answer is final.

Thousands of brief conferences bring the answer "No" because the man with the money is unfamiliar and cannot be sold at the last minute by a timid subordinate. Why wait? Now—in advance of next month's

meetings—send your advertising announcements to these men who have the final say. Give your salesmen the support of a campaign aimed directly at this final authority group. Make your showing in *The Nation's Business* so strong that there can be no possible misunderstanding at the last minute when the all important final approval must be obtained.

More than 40,000 Presidents of Corporations read *Nation's Business*  
 More than 18,000 Vice-Presidents of Corporations read *Nation's Business*  
 More than 17,000 Secretaries of Corporations read *Nation's Business*  
 More than 8,000 Treasurers of Corporations read *Nation's Business*  
 More than 12,000 General Managers of Corporations read *Nation's Business*  
 More than 125,000 Major Executives in 91,875 Corporations read *Nation's Business*

You will find of interest a detailed analysis of our 160,000 subscribers. Let us tell you how other advertisers are using this magazine to make their advertising expenditures more productive. Get an executive "Yes" when the order hangs in the balance.

## The NATION'S BUSINESS

WASHINGTON



MORE THAN 160,000 CIRCULATION

MEMBER A. B. C.





## A laminated product

*Laminated:* Consisting of, or arranged in, layers of thin sheets one upon the other.

—Webster's Dictionary

**T**HE WORLD has long felt the need of a water-proof material possessing toughness, insulation resistance, and stability. Chemistry has solved the problem with Laminated Bakelite, made by pressing together, under heat, successive layers of paper or fabric especially processed with Bakelite.

There is no more striking example of the wonderful possibilities of Bakelite than this transformation of a piece of soft, pliable canvas into a tough, resilient gear for driving machinery, or a few sheets of paper into a strong and rigid radio panel.

These laminated products have all the characteristic Bakelite properties of high dielectric strength,

chemical inertness and resistance to oils and solvents, and they are steadily replacing fibre, rubber and other substances for countless electrical and mechanical uses.

A few of the diversified applications of Laminated Bakelite are here illustrated. Perhaps this is the material you have been looking for. Our Engineering Department will be glad to confer with you.

"The Story of Bakelite," by John Kimberly Mumford, has just been published. This is a fascinating and educational story about the discovery and development of Bakelite. We shall be pleased to send you a copy.

**BAKELITE CORPORATION**  
241 Park Avenue, New York, N. Y.  
Chicago Office: 530 West 22d Street



# BAKELITE

THE MATERIAL OF A THOUSAND USES

When writing to BAKELITE CORPORATION please mention the Nation's Business



For pump valves



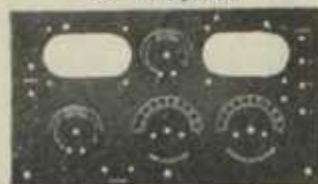
For electric fan blades



For noiseless timing gear



For covers of loose-leaf binders

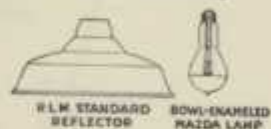


For radio panels





### One Way to Light Your Factory



Use 200-watt bowl-enameled MAZDA lamps in RLM type metal reflector shown above. Space 10 feet apart.

Nela Park serves 15 factories, 47 Sales Divisions and 10,000 dealers in the marketing of National Mazda lamps.

## Modern Lighting Develops 12% More Production for Dover Manufacturing Company

"As a result of better lighting, the production of our press department, including blanking, forming, shearing, drilling and tapping operations, was increased 12.2% at an increase in lighting expense equal to approximately 2.5% of the payroll. Of twenty important operations, fifteen showed decreases in cost. Employees and company officials are extremely well pleased with the new lighting." Dover Manufacturing Company, Dover, Ohio.

Send coupon below for booklets: "How Better Lighting Increased Our Production 25%" giving in detail the lighting experience of the Detroit Piston Ring Company; and "Cutting Factory Costs with Lighting", giving the experience of well-known manufacturers, and telling exactly how to make inexpensive lighting improvements in your own plant.

*If your annual cost of lamps is \$75 or more, you are entitled to a contract price that will substantially reduce your lamp bill.*



# NATIONAL MAZDA LAMPS

MAIL THIS COUPON →

NATIONAL LAMP WORKS  
of General Electric Company  
Nela Park, Cleveland, Ohio

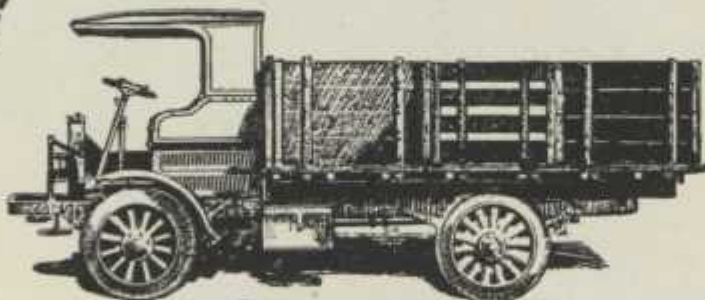
Please send me the following: ☐ Full details of the savings made by taking advantage of annual lamp contracts. ☐ Booklet: "How Better Lighting Increased Our Production 25%". ☐ Booklet: "Cutting Factory Costs with Lighting".

Name.....  
Street and Number.....  
City and State.....

When writing to NATIONAL LAMP WORKS OF GENERAL ELECTRIC COMPANY please mention the Nation's Business



**We build  
Autocar trucks  
to fit streets**



**The 2 to 3 ton  
4 cylinder  
Autocar**  
(wheelbase 114 inches)  
**turning circle only  
38 feet in diameter**

**M**OST city streets were laid out before modern motor transportation was dreamed of; it is small wonder that these streets are traffic choked.

The Autocar engine is placed under the seat to give the shortest possible wheelbase with adequate body space for the paying load.

Watch the Autocar trucks as you

go along the street—you will see them threading their way through traffic, turning in the minimum of space, taking on and delivering loads in cramped quarters where motor truck operation would seem impossible.

Autocar short wheelbase handiness is saving time and money for thousands of business houses doing every kind of hauling.

## **The Autocar Company, Ardmore, Pa.**

ESTABLISHED 1897

Direct Factory "Autocar Sales and Service" Branches or Affiliated Representatives in

- |                 |             |                |               |                |                 |                   |
|-----------------|-------------|----------------|---------------|----------------|-----------------|-------------------|
| * Albany        | * Brooklyn  | * Detroit      | * Los Angeles | * Orlando      | * San Francisco | * Trenton         |
| * Allentown     | * Buffalo   | * Erie         | * Memphis     | * Paterson     | * San Jose      | * Washington      |
| * Altoona       | * Camden    | * Fall River   | * Miami       | * Philadelphia | * Schenectady   | * West Palm Beach |
| * Atlanta       | * Chester   | * Fresno       | * Newark      | * Pittsburgh   | * Scranton      | * Wheeling        |
| * Atlantic City | * Chicago   | * Harrisburg   | * New Bedford | * Providence   | * Shamokin      | * Williamsport    |
| * Baltimore     | * Cleveland | * Indianapolis | * New Haven   | * Reading      | * Springfield   | * Wilmington      |
| * Binghamton    | * Columbus  | * Jersey City  | * New York    | * Richmond     | * St. Louis     | * Worcester       |
| * Boston        | * Dallas    | * Lancaster    | * Norfolk     | * Sacramento   | * Stockton      | * York            |
| * Bronx         | * Denver    | * Lawrence     | * Oakland     | * San Diego    | * Syracuse      |                   |

\* Indicates Direct Factory Branch

# **Autocar**

**gas and electric trucks**

**EITHER OR BOTH - AS YOUR WORK REQUIRES**

Mail  
with your  
letterhead

The  
Autocar Co.  
P. O. Box 1152  
Ardmore, Pa.

Please send me your

- ☐ Gas truck book  
☐ Electric truck book